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THE FINANCIAL POST

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The Nation's Business

Manufacturers Should Support Research

Opportunity to Win Public Good Will

Russia at Geneva

Safeguarding British Capital in Canada

CANADIAN manufacturers could take no action more likely to win for them public approval and good will than to support whole-heartedly and with their own money research work in Canada.

United States manufacturers, individually and through associations, are spending millions of dollars yearly in industrial and scientific research work. Collectively they are advancing not only their own interests but the interests of the general public in very decided fashion. Canada has accomplished much in research but, in the main, such work has been starved in Canada.

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IF CANADIAN manufacturers officially take up research work, study its scope and possibilities and back it with their energy and contributions, (as they should) they will no doubt find it necessary to survey what is now being done in Canada. The Dominion government, the National Advisory Council on Research and the universities are doing much work but there is not the practical application of their work to industry that would follow from more active participation by manufacturers in the work.

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PROMOTION of research work would help the manufacturers, would help all business and would help to better conditions under which people live. It would be a strong factor in swinging public good will toward the manufacturers.

For several years, the Canadian Manufacturers' Association have been in the habit of passing resolutions at their annual meeting, favoring research work and requesting increased governmental appropriations. A finer, more effective gesture would be for the C.M.A. at its forthcoming Calgary convention, to make a definite promise of financial support to industrial research and to show a willingness to co-operate in extending such work in Canada.

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AS THE world economic conference at Geneva gets under way, nothing more significant is shown by its deliberations than the desire of Russia to co-operate with the nations that still adhere to the capitalistic system it so condemned with such a bloody gesture.

The Russians have a strong delegation at Geneva. The delegates are doing a great deal of talking for home consumption. Behind the scenes, they are reported to be talking plain business common sense and seeking foreign loans, and other forms of capitalistic aid for impoverished Russia.

Russia is now engaged in the difficult process of going back on communism with the least possible affront to the dignity of Lenin's memory; in short, aiming at a capitalism without seeming to do so.

The process is made difficult by the fact that the communism is still the doctrine of many of the chief political leaders of Russia. They are ready to make no concessions to the times; no admissions of the defeat of their theories.

Russia is not likely to win much support from capitalistic countries while it carries on continuous anti-capitalistic propaganda in nearly every country in the world.

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SOME time ago, Prof. R. R. Thompson, professor of accountancy in the school of commerce of McGill University, began the publication of a series of articles and letters in British papers, setting forth investment opportunities in Canada. The Morning Post ran three articles from Prof. Thompson and eighteen British papers published his letters, most of them commenting upon them editorially.

Prof. Thompson's letters and articles discussed the need for British capital in Canada; indicated to the British investor where he could get sound information on Canadian investments in order to avoid loss; and also gave the British investor some advice on profitable investment in this country. They have now been published as a McGill University publication in a small pamphlet, which, it is to be hoped, will be given wide circulation in the British Isles.

Canada has suffered much from adverse publicity in the British Isles, following severe losses incurred by British investors chiefly through investments made without adequate information. Any work that tends to prevent similar losses in the future is to be commended.

The friendliness of the British press, shown by its willingness to publish Prof. Thompson's letters, is worthy of note.

MOVE TO GRAYBAR BUILDING

The New York office of The Financial Post has been moved to the Graybar Building.

KITCHENER TIRE PLANT AIDED BY AKRON CAPITAL

Income Bonds Become Preferred and Preferred Now is Common

ARREARS WIPED OUT

Goodrich Co., Formerly Ames-Holden, is Operating at Capacity; Expects to Progress Now

Canadian Goodrich Co., of Kitchener, (formerly Ames Holden Tire & Rubber Company, Ltd.) has completed major steps effecting a change in its capital structure which is hoped to place shareholders of the company in a more favorable position than they have thus far occupied.

The arrangement approved by the shareholders involved the waiver by preferred shareholders of $63,000 in accumulated dividends, the cancellation of the preferred stock and the exchange of preferred stock on a share for share basis for no par common stock of which 100,000 shares were authorized. The common shareholders approved the cancellation of the present common stock and its exchange for shares of the new no par stock on a basis of twenty shares of the old common stock for one share of the new no par stock.

Early in 1923 The B. F. Goodrich Co., of Akron, Ohio, which had operated in Canada for a generation in the sale of its American product, entered into an arrangement with the Ames Holden Tire & Rubber Co., Ltd., for the manufacture of Goodrich brand tires in the Dominion. This arrangement developed to the point where in the early part of 1925, The B. F. Goodrich Co. felt justified in acquiring a large interest in the common stock of Ames Holden. Immediately following, the name of the old Kitchener company was changed to Canadian Goodrich Company, Ltd., and since that time the American company has taken an active interest in its management.

Due to a variety of causes which were not without their effect in the rubber industry in general, Canadian Goodrich Co., while showing marked progress under the new management, has felt the drag of a capital structure which has been out of balance. While discharging all of its obligations to the holders of $250,000. of first mortgage bonds, the situation of the company during the past three years has not permitted the payment of interest on $1,048,600.00 of income bonds. Besides this interest in arrears amounting to $220,206, dividends in arrears on preferred stock aggregated $63,000 as of December 31, 1926.

New capital in comparatively large amount was ascertained to be necessary to the realization by the company of its real possibilities, and the management felt the need for immediate and positive steps. The B. F. Goodrich Co. approved a request to supply over $1,250,000 in new capital, taking therefor new no par common shares of the company on the basis of $25 per share, but stipulated that certain definite changes would have to be made in the capital structure before the new capital could be advanced.

At a meeting of the holders of the income bonds of the company at Montreal on April 28, and at a meeting of the preferred and common shareholders at Toronto on the following day, the security holders of the company approved the various steps on which the advance of the new capital was conditioned.

Shareholders Approve

By unanimous vote of the holders of 80 per cent. of the income bonds outstanding, the bondholders waived interest in arrears amounting to $220,206 and agreed to suspend until July 1, 1930, the cumulative interest feature on the bonds, so that interest during the intervening period shall be paid if earned, but shall not accumulate if not earned and paid. Certain minor changes in respect to interest payment dates, etc., will require the issue of new bonds in place of the present income bonds.

At a joint meeting of the preferred and common shareholders held in Toronto on April 29, convened under the provision of Section 112a of the Companies Act, the preferred shareholders by a vote of 90 per cent. of all of the preferred stock, and the common shareholders by a vote of 80 per cent. of all of the common stock, approved without dissent the provisions of a scheme of arrangement proposed by the management for the completion of the program of capital reconstruction.

The proceedings at the shareholders' meeting have since been sanctioned by the court.

The action taken by the security holders of the company, the more decisive in view of the percentage of the vote in each case and the absence of dissenting vote at either of the meetings, will have the immediate result of wiping out the existing deficit of the company which on December 31, 1926, amounted to almost $400,000, and the company will start with a surplus from this point. On the strength of the action thus far taken the B. F. Goodrich company has already made large additional advances to Canadian Goodrich Company, and with the final approval of the program by the issue of supplementary letters patent, the additional funds necessary for plant account and working capital immediately will be available.

With its Kitchener plant now running at capacity and with its current sales at the highest point in its history, Canadian Goodrich Co. is expecting to prosper now that the capital structure has been simplified.

Duke-Price Sells 400,000 H.P.; Will Add Two New Units Soon

By Staff Editor.

ISLE MALIGNES, P.Q.—It is expected that shortly the Duke-Price Power Company will install the last two generators in its plant. The plant now has in operation ten generator units, with a total capacity of 400,000 horse power. These units are fairly well loaded at present and will be fully loaded when Shawinigan takes its 100,000 horse power load from the plant.

The Shawinigan Water and Power Company has completed the erection of the steel towers for the new transmission line linking Isle Maligne with Quebec. It is thought that by August, the lines will be on the poles ready to take the 100,000 horse power for which Shawinigan has contracted from the Duke-Price plant.

Contractors have practically completed installation of transformers and other equipment at the Duke-Price plant, ready to take the load on the new transmission lines to Quebec.

The load carried by the Duke-Price plant has steadily increased during the past year due to the operations of Price Brothers, the Aluminum Company and Port Alfred Pulp and Paper Mills.

All work, such as dams and spillways, subsidiary to the Duke-Price plant, were completed by the beginning of this year; thus for the future the company's earnings should tend to increase.

A. & P. Invasion May Have Caused Dominion Stores to Accelerate Expansion

Shareholders in Dominion Stores are given an opportunity to buy new stock at $40 the share, the proportion being one new share for each ten held. The issued capital stock thus will be 82,500 shares of no-par stock, as compared with 75,000 shares at present outstanding.

Much of the expansion of Dominion Stores has come out of earnings and it is probable that the present issue would not have been offered if it had not been deeemed desirable to hasten somewhat the plan of expansion in order to meet new and increased competition from at least two quarters.

A. & P. Enters Field

The Great Atlantic & Pacific Tea Co., which operates an enormous chain of stores in the United States, is the chain on which Dominion is modeled.

In fact, it was assumed until recently, that there was a definite community of investment interest between Dominion Stores and A. & P. But recently it was learned that the A. & P. stores are planning immediately to enter the Canadian field.

It is probable that A. & P. would not have reached the decision to come at this time, if it had not been that a small chain of stores operating under the same name were in the Montreal field and the Dominion authorities had informed the A & P company in the United States that if it wished to protect its trade name in Canada (a company was incorporated here several years ago) it would have to go into active business, and in order to operate at a reasonably good profit, store chains must be fairly complete.

Gives Conditions of Issue

Following is a letter to Dominion Stores shareholders signed by Morley Smith, secretary. This succinctly details the conditions of the new issue as well as tells of the progress the company has been making in its expansion program:

Your directors have decided to offer 7,500 shares of stock (without par value) pro rata to the shareholders of the company of record as of the close of business on June 1 next, at a price of forty dollars per share. The company has opened 36 stores since the first of the year, and has 17 more stores under lease, which will be opened before July 1 next, and, as still further development is planned, the funds received from this distribution will be used for such additional development.

Stock subscription warrants and warrants for fractional shares will be mailed in due course to all shareholders of record as of the close of business on June 1 next, to enable them to subscribe for shares of the new issue on the basis of one share for each ten shares held at the close of busines on that date, payment for the same to be made in two instalments, namely 50 per cent. on July 5 next, and 50 per cent. on Aug. 5 next. The shares so issued will be eligible for the dividend payable in the ordinary course on Oct. 1, 1927.

Public Awaits News of Plan to Help Besco, as Concern for Maritimes is National

Two meetings of shareholders' committees of British Empire Steel Corp. have been held in Montreal in the last week without anything being announced as to proposed plans for reorganization of the corporation and its subsidiaries. While it is recognized that the problem is intricate, approached from any angle, the impression prevailed since the shareholders' meetings on April 12, 13 and 14 that the management of Besco had something definite in mind which would be revealed immediately following the meeting of the committee on May 5.

Nothing could be learned as to the progress of events at the meeting on May 5, and nothing has been said, so far as can be learned, as to what took place when the chairmen of committees met with the principal executives of Besco on May 10.

Justice Chisholm, of the Nova Scotia supreme court, dismissed the application of National Trust Co. for a winding-up order for Besco itself, but the decision as to Dominion Steel Corp. so far has not been announced. In the meantime, National Trust Co. is functioning as receiver and manager of Dominion Iron & Steel Co., which is a corporate stepson of Dominion Steel Corp., and consequently a corporate stepbrother of Dominion Coal Co., probably the most valuable of the properties of the Besco fabric.

Is a National Problem

It is no exaggeration to say that the problem of Besco is a national problem, more than a problem of the investment interests of various classes of bond and shareholders. It is clearly recognized in the Maritime provinces, and should be known to the rest of Canada, that existence of the steel and coal industry in the East is essential to the prosperity of the Maritime provinces and it is imperative, from a national, political and economic viewpoint, that the Maritimes prosper. The Duncan report has made this clear.

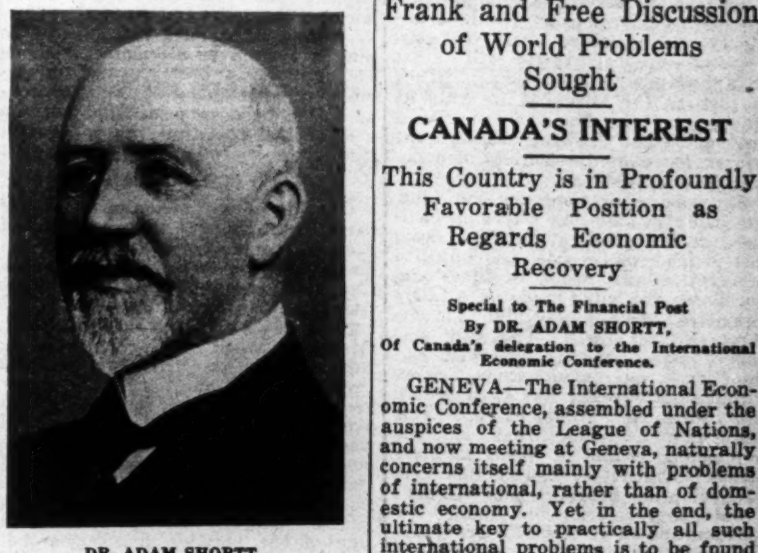
Thus any plan for the reorganization of Besco which is proposed by the management, or anyone else in position to bring influence to bear for its adoption, is awaited with the keenest public interest. This interest is no less keen because of the fact that National Trust Co., as trustees for the first mortgage and second mortgage bondholders of Dominion Iron, may at some time be called upon to liquidate the portion of the property under its control in order to satisfy the reasonable demands of those who have money invested in the underlying bonds. It is thought probable that the break-up value of the property of Dominion Iron, with the ore bodies in Newfoundland, is sufficient to meet the demands of the mortgage holders.

Stand or Fall Together

It has been pointed out on behalf of some who are not especially friendly to the present management of Besco that cessation of operations of Dominion Iron would lose for Dominion Coal its largest single customer, with the result that the earning power of the apparently prosperous coal properties would be seriously diminished, to the detriment of the public in Nova Scotia as well as the shareholders.

Probably the Besco management and its antagonists are agreed that the steel and the coal industry of Eastern Canada must stand or fall together, in the ultimate test of basic worth. If this is true, all reorganization plans must seek the same end and the best plan will be one which conserves the interests of investors, according to priority of claim, as well as being conducive to the public interest.

Geneva Economic Assembly Will Not Bind Any Conutry



DR. ADAM SHORTT.

Frank and Free Discussion of World Problems Sought

CANADA'S INTEREST

This Country is in Profoundly Favorable Position as Regards Economic Recovery

Special to The Financial Post
By DR. ADAM SHORTT,
Of Canada's delegation to the International Economic Conference.

GENEVA—The International Economic Conference, assembled under the auspices of the League of Nations, and now meeting at Geneva, naturally concerns itself mainly with problems of international, rather than of domestic economy. Yet in the end, the ultimate key to practically all such international problems is to be found in the conditions of the domestic economy of the various nations. Hence, mentally at least, a constant reference to these domestic conditions must be had in considering the probable practical outcome of all the conclusions reached.

Canada's Fortunate Position

The economic conditions of the whole world have of course been profoundly affected, directly or indirectly, by the Great War. The capacity for a more or less rapid recovery from these conditions varies with different countries, chiefly in the degrees to which they were affected by the war itself and its important consequences. In this respect, Canada, apart from the direct burdens of public debt, which she will have to carry for some time, is in a singularly fortunate position as regards her chief trading and financial relations with the outside world. For the past year, for instance, 75 per cent of her foreign trade is concerned with the two countries of Great Britain and the United States, furnishing 83.4 per cent. of her imports and taking 74.7 per cent of her exports. These are the countries whose economic positions on the whole have been least injuriously affected by the war. Great Britain, it is true, suffered heavy losses during the conflict and was called upon to afford very extensive assistance to her allies; while the United States emerged from the crisis in a relatively stronger economic position than any other country. Between them, however, they are in much the strongest financial position in the world today, and Canada, as chiefly associated with them in her economic relations, is correspondingly in a favorable position in both her domestic and international interests. It is essential for Canadians to keep this in view in their consideration of the problems which are to come before the International Conference.

Two Groups of Subjects

While, as indicated, the conference is ultimately concerned with world economic conditions, alike in their present position and in their possible future developments, these naturally divide into two primary groups. First, there are those connected with the results of the war and the possibilities of recovery from its effects; and ,secondly, there are those connected with the general economic conditions of the world, as regarded from the points of view of the changed circumstances of the different countries and the different political and economic atmospheres in which future production and trade will have to be developed. This involves the conditions of exchange and fin-

(Continued on page 5)

PREDICT BETTER MARKET IN STOCK OF McKINNON CO.

Technical Position of Shares is Improved by New Situation

Predictions of a better market for the common stock of McKinnon Industries is voiced authoritatively in Toronto financial circles. It is reported explicitly that one of the directors, formerly a large holder of voting trust shares, has disposed of virtually all of his stock and it is said that there will be a change in the directorate soon. It is intimated, further, that the voting-trust agreement may be voluntarily abrogated before the expiration of the five-year period which began November 12, 1925.

With the probability of a greater degree of harmony in the directorate, increasing business and higher profits, and a stock market which views favorably all substantial activities, it is deemed that the common shares of the company are likely to sell higher. The prevailing price is around 25. There are 50,000 shares altogether, of which 45,000 are voting trust shares.

Business Improves

In the fiscal year, ended September 30th, 1926, McKinnon Industries showed net earnings of $18,000 less than the year before, when these were $420,000, but the gross business in the last year was greater. The reason for the drop in the net earnings, it has been explained, was the uncertainty which the automotive and allied industries felt following the introduction of the Robb budget of 1925.

Business in the current fiscal year has been highly satisfactory. it is reported unofficially. The company's plant at St. Catharines, and its subsidiary at Buffalo, are reputed to be among the most efficient of their kind on this continent, and it is thought that, under normally prosperous conditions, the earnings should be substantially higher than in either of the two years since the company was reorganized.

Several Companies Have Applied For Federal Licenses

From Our Own Correspondent.

OTTAWA.—The decision of the finance department of the federal government to enforce the amendments of last session, which compel all trust and loan and insurance companies to operate under license, makes it clear that this part of Canadian business is to pass through another period of uncertainty while the provinces and the federal government fight out the legal question of jurisdiction.

Notwithstanding protests from Ontario and New Brunswick the federal department has circularized all companies. There are 16 trust companies and 13 loan companies operating in Canada under Dominion license, and these have been asked to apply for licenses before July 1, when the amendments will come into force. Already 13 trust companies and 7 loan companies have complied.

Before July 1, however, it is probable that the two dissenting provinces will make good their protests by challenging the amendments in the courts. If this is done, the case, inevitably, will be carried to the privy council, which will result in the issue being undecided until 1929.

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Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

General Farm Operations Having Effect on Business
Consumption of Electric Energy High During First 2 Months
Wholesale Prices Again Declined Slightly in April
Opening of Navigation Reflected in Heavier Freight Traffic
Number of Commercial Failures Increase; Liabilities Lower

ENCOURAGING reports are being received regarding farm operations, in both Eastern and Western Canada and from preliminary indications, it is likely that the acreage sown to crops this year will be slightly higher than in 1926. Seeding is now general in the Prairie Provinces and should be completed by the end of this month. The land has plenty of moisture and if good weather ensues, growth will start under promising conditions. Work is just as far advanced in Ontario, Quebec and the Maritime provinces, but the light snowfall during the winter, has caused a scarcity of moisture in some districts.

Renewed operations on the land, has had a stimulating effect on business. The excellent returns from last year's crop provided the majority of farmers with plenty of funds and purchases are being made on a fairly extensive scale, especially in the Western Provinces. The milk embargo, placed by the American authorities, on importations from Ontario and Quebec has been keenly felt in those provinces, but this restriction is being lifted and the purchasing power of those farmers affected will not be unduly curtailed.

Consumption of Electricity Higher

Industrial activity as judged by consumption of electrical energy, has been steadily increasing. This is one of the best indicators of manufacturing and has come to be recognized as being more reliable than other indices which have hitherto been favorably regarded. It is particularly so in this country, where practically all factories and plants are operated by electrical power. Thus the Royal Bank's compilation of electrical energy generated in Canada for Canadian use is very valuable in surveying the trend of industry. During February last, according to this authority, average number of kilowatt hours generated daily throughout the country, exceeded that generated during the same month of last year by 10 per cent. In Ontario and Quebec, the excess amounted to 13 per cent, while in the first two months of the current year, aggregate of electrical energy used was 30 per cent. greater than in the same period of 1926.

The monthly index number of commodity prices confirms the belief that the general average had again declined slightly during April, and now stands at the lowest since July, 1916, when markets were started on the upward swing which carried the index up to 256.3 in July, 1920. The decline in the last four years has been gradual, and interrupted by occasional slight recoveries, but it has been persistent enough to carry the average down to 148.5.

In view of the undoubted high level of industrial production, combined with comparative prosperity in the agricultural industry, changes which have taken place in the different classifications are illuminating. Vegetable products, for instance, have shown the least fluctuation of all groups since 1921, the average at the end of April being 60.8 per cent. above the 1913 price level. Wholesale prices of animals and their products show a similar trend, variations from month to month being very limited. Textile prices have shown a drop of 25 per cent. from July, 1924, to the end of April last. This is one of the most marked changes in the whole commodity list. Nonferrous metals have varied little in the past thirteen or fourteen years, ranging between 93.1 in July, 1924 and 153.4 in January, 1920. Iron, wood and chemical products all show gradual declines.

The interesting deduction from these figures is that while the index number of manufactured products has steadily declined, prices of agricultural products have been well maintained, with the result that the purchasing power of the farmer based on prices prevailing in 1913 is greater at present than for some time past. Furthermore, in spite of the handicap of declining prices business has been increasingly active, because the falling price of the slowly falling price level has called into play a system of economies such as had previously been deemed impossible, while insuring stability of consumption because prices did not, on each revival of activity, move against the buyer.

Freight Movement Heavier

Opening of navigation on the upper lakes has influenced the movement of certain commodities, which is reflected in revenue freight loadings on Canadian roads during the week ended April 30. Altogether 62,232 cars were loaded during the week. Compared with the corresponding week in 1926, the increase was 6,369 cars. For the first time in many years, car loadings having totaled over 1,000,000 cars by the second week in April. This improvement is largely due to the heavier flow of grain and grain products, coal, pulpwood and merchandise. The increase in merchandise loadings is a good sign of the broader distribution being secured this year, as compared with 1926 which was outstanding in this regard.

Another sign of the greater activity prevailing in business is to be seen in the record of commercial failures. As compared with March 1926, the number of assignments reported during March this year, show a considerable increase, while the liabilities of the assignors show a decided decrease. Failures numbered 163, as compared with 136 in the same month of the previous year and 143 in February, 1927. Liabilities of the assignors amounted to $1,993,679, as compared with $1,715,862 in March 1926, and $2,836,409 in February 1927.

The increase in number of failures is largely due to the keener competition existing in all lines. Few large companies have gone into bankruptcy; records for the first quarter showing that the average liability is smaller than in previous years. While the forcing out of the small business man is to be regretted, it is an evidence that larger organizations are actively bidding for new trade, which will enable them to consolidate and extend their present scale of operations.

Recent Movement of Wheat Presents Unusual Features

The largest international movement of wheat in years, large stocks in exporting countries, low stocks in Europe, and yet fairly stable prices are the unusual—perhaps unprecedented—features of the world wheat situation during the last four months according to a wheat study prepared by the Food Research Institute of Stanford University.

This remarkable situation is the aftermath of the British coal strike last year, which boosted freight rates at a time when the fall movement of wheat is ordinarily at its height. To avoid these high freights European stocks were depleted. Exporters, notably the Canadian and Australian pools, did not press exports, and so did not depress prices as would be expected when the margin of exportable surplusses over importers' requirements is so large as has been the case this year.

When freight rates reacted after the strike settlement, importers bought much more freely, though avoiding long commitments. Exporters again did not press sales; and stocks continued high in the major exporting countries, but low in Europe. Hence no marked change in price level followed.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest: This Year	Latest: Last Year	To Date: This Year	To Date: Last Year
Production—(March)—				
Pig iron, tons	75,637	53,251	178,049	159,641
Steel, tons	107,381	58,765	221,552	180,458
Newsprint, cwts.	174,094	154,093	487,804	429,444
Automobiles	22,623	22,374	56,654	56,691
Boots and shoes, pair (March)	1,787,581	1,686,665	4,705,686	4,208,075
Flour, bbls. (Jan.)	1,496,000	1,422,000	1,496,000	1,422,000
Construction—				
Contracts awarded (April)	$38,582,300	$37,292,000	$92,336,700	$83,218,000
Building permits (March)	$11,641,427	$10,634,491	$24,849,278	$22,493,574
Labor—Employment index (Apr.)	96.2	91.4	....	....
Transportation—				
Car loadings (to April 30)	62,232	55,873	1,026,467	934,987
C.P.R. gross (Feb.)	$15,433,137	$14,261,819	$43,236,009	$40,344,958
C.P.R. net (Feb.)	$ 2,984,194	$ 2,824,177	$ 6,462,628	$ 6,531,066
C.N.R. gross (Mar.)	$23,137,167	$23,008,874	$65,512,461	$59,047,105
C.N.R. net (Mar.)	4,385,035	$ 4,313,354	$ 7,843,631	$ 7,465,310
Population—				
Emigration (Mar.)	4,981	6,993	15,291	21,293
Immigration (March)	20,271	15,229	29,956	21,949
Trade—				
Imports	$74,706,654	$70,908,980	$153,512,654	$140,644,980
Exports	$75,533,607	$87,634,147	$150,799,607	$173,350,147
Imports of key products (Feb.)—				
Rubber, lbs.	5,869,000	4,901,000	4,336,000	4,901,000
Cotton, lbs.	12,278,000	19,209,000	21,278,207	19,209,000
Sugar, $	2,427,990	1,309,609	2,427,990	1,309,609
Petroleum, gal.	31,052,000	38,332,000	52,222,000	38,332,000
Coal, tons (Feb.)	1,706,237	1,120,487	3,269,233	2,329,748
Exports of key products (Feb.)—				
Newsprint, (cwt.)	145,263	128,964	304,129	272,003
Automobiles (pass.) (No.) (Mar.)	6,512	8,033	15,405	17,729
Wheat, bus. (Mar.)	16,394,879	14,734,061	.....	42,005,914
Wheat Flour, bbl.	1,028,813	1,302,092	....	2,860,504
Finance—				
Failures, number, (Mar.)	163	136	497	464
Failures, liabilities, (Mar.)	1,993,679	1,715,862	$8,095,140	$9,552,197
Bank debits (Mar.)	$2,600,367,571	$2,309,312,348	$7,512,444,519	$6,808,532,270
Bond sales (Mar)	$19,674,878	$ 27,408,744	$93,794,507	$182,442,246
Stock prices index (April 19)	....	....	292.9	171.4
Insurance sales (Jan.)	$36,820,000	$33,600,000	$36,820,000	$33,600,000
Wholesale prices (1913-100))—				
General index (April)	....	....	148.5	148.9
Pig iron (March)	....	....	144.6	145.7
Cotton	....	....	114.4	164.4
Grains	....	....	160.0	160.8
Cattle	....	....	110.2	104.6
Rubber	....	....	65.3	88.2

Artist Paints the Bank of England

Herbert J. Finn the English artist is at present at work on a painting of the Bank of England showing the demolition of the old building and the erection of the new. Mr. Finn specializes in pictures of Industry.

PACKING INDUSTRY REFLECTS CHANGES

American Packers Keenly Bidding for Hogs in Western Markets

British demand is the most important factor in the Canadian export market, says the monthly letter of the Royal Bank of Canada. Of Great Britain's imports of live animals, the greatest number came from Ireland with an annual value of about eighty million dollars, against imports from Canada of about ten million dollars. The experiment of shipping cattle to Scotland for feeding has proved most successful and there is good reason to hope for further improvement in this trade. There is some hesitation about developing further facilities for this trade in Scotland because of the feeling that a cattle shortage in the United States might lead to a change in tariff policy, which would result in Canadian cattle going to that market. As the Scottish importer becomes more certain of the Canadian supply, this objection will no longer be a factor. In the past two years, most of the cattle sent overseas have gone to the Scottish farms as feeders.

Have Excess Capacity

While domestic prices are on a paying basis, Canadian packers claim that they are losing money on bacon shipped to Great Britain. Canadian packing plants have a capacity in excess of the number of hogs offering, and the packers have the choice between allowing their plants to remain idle or running on a low production basis, the latter alternative increasing overhead to a point where profits are negligible and resulting in their being unable to offer sufficiently high prices to prevent the competition from the United States. A large number of hogs from Alberta and some from Ontario are now being shipped across the border.

Under ordinary conditions, the United States have a large export surplus of hog products, but just now domestic supplies are insufficient for their needs. A price differential of 1½c. permits the movement of hogs from Winnipeg to United States packing plants, and the demand from the far west has become so keen that packers in California, Oregon, and Washington have been bidding above the Winnipeg price level in the markets of Edmonton, Calgary and Moose Jaw. In such a period as the present, there is no doubt that a farmer receives a better price because of competition from the United States, but the secondary effect of this competition is to injure the Canadian packing industry and to make the British supply of Canadian pork products most irregular.

LATE SEASON HOLDS UP CANAL TRAFFIC

Last Year's Movement Less Than in Preceding Year—Soo Locks Busy

Late opening of navigation and the early set in of bad weather in December, brought about a smaller movement of traffic through Canadian canals during 1926, the aggregate volume of all commodities moved being 13,477,663 tons, a decrease of 653,044 tons from the record of the previous year. Despite these handicaps, the traffic through the St. Lawrence Canal was only 1.3 per cent. less than the record made in the preceding year and on the Welland canal only 7.5 per cent. less.

Traffic on both the St. Lawrence and Welland canals was affected by the small oat crop. Canadian oats through the St. Lawrence Canal fell off 157,334 tons and United States oats were lighter by 92,078 tons. Rye shipments were also lighter. Barley and corn showed increases, and while the United States wheat shipments were practically the same as in 1925, Canadian wheat increased by 3,363,860 bushels. Bituminous coal traffic down the canal was lighter by 210,872 tons, which was replaced in the Montreal market to some extent with Nova Scotia coal. Pulpwood upbound fell off 11,688 tons.

The changes in traffic on the Welland Canal were much the same as on the St. Lawrence, except that the decrease in bituminous coal was 321,397 tons, while upbound pulpwood showed an increase of 4,478 tons.

Heavy Traffic Through the Soo

Only in 1916, 1917 and 1923 was the traffic heavier through the Canadian and United States locks at Sault Ste. Marie than it was in 1926. Iron ore traffic was heavier; wheat and other grains were lighter. Bituminous and anthracite coal tonnage increased, while the total traffic showed an increase over the previous year of 3,809,916 tons.

Ocean traffic up the St. Lawrence Canal was heavier by far than for any previous year. The number of vessels totalled 169 and the number of cargoes 131, the other 38 vessels being in ballast. Eighty-seven vessels which were brought up to Detroit to be dismantled, and the majority of which were loaded with scrap iron, helped to swell this total, but the cargoes other than these were in excess of the cargoes from outside ports during other years. On account of strikes, no Welsh coal came up after May, the principal cargoes being iron and steel from Sydney, pulpwood from Newfoundland, and Atlantic ports, sugar, china clay, pebbles and general merchandise. Only 7 cargoes were reported down the canals for European and Atlantic ports, although it is probable vessels destined to Montreal filled out their cargoes and continued on down the St. Lawrence.

THE ROYAL BANK OF SCOTLAND

Incorporated by Royal Charter, 1727.
Capital (fully paid) £2,500,000
Rest or Reserve Fund, (Oct., 1926) £2,571,249
Deposits (Oct., 1926).....£40,457,710

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Deputy-Governor:
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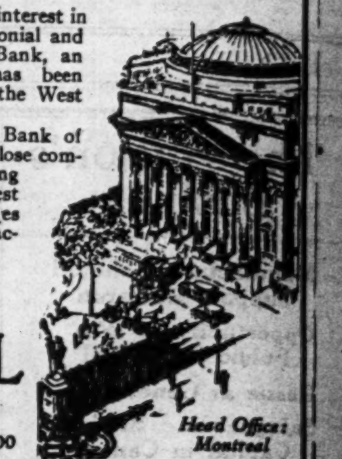
By reason of this association, the Bank of Montreal is able to offer its clients close competitive rates and complete banking service for business with the West Indies, among the important advantages offered being facilities for obtaining accurate local information.



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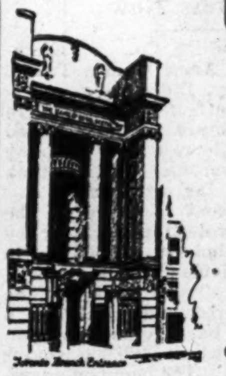
Head Office: Montreal



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Respect
Mutual respect as between a banking institution and its customers is the soundest basis of a friendly business relationship.
With this relationship firmly established, there follows a mutual understanding of viewpoints, and the helpful contacts that forge a supporting influence for the customer.
Our managers have sound training in business finance. They can be of assistance to all who deposit money or desire financial counsel.
THE BANK OF TORONTO
JOHN R. LAMB, General Manager.

NATIONAL BOARD ADOPTS MORTGAGE BOND STANDARDS

Many Recommendations Set Forth for Guidance of Members

Recommendations looking to the safeguarding of real estate mortgage bond issues have been adopted by the National Association of Real Estate Boards through action of its board of directors. It follows a detailed study by the Association over a period of several months.

The establishment of standards for the issuing of real estate mortgage bonds and for the guidance and protection of investors in such bonds has come to be a matter of public importance, both in view of the great extent to which such bonds have come into general use in the last few years and in view of the useful function which the new financing method has come to fill in enabling the small investor to participate in large building developments, the Association points out.

Holding that soundness of the appraisal upon which a real estate bond issue is based is the foundation of soundness of the bond issue itself, the recommendations emphasize the standards for the making of such appraisals.

The commendations in full are as follows:

(1) No appraiser should accept an order for a valuation for which his employment is contingent upon his appraisal reaching a certain value.

(2) The practice of having one appraiser make the valuation of land and another of the building and using the total of the two as the true value is unsound, and is condemned, as is also the practice of basing the appraisal entirely on the capitalized value of the net income. In appraisals for bond issues where more than one appraiser participates, all of the appraisers estimating the separate units of value, including income, should reconcile their respective appraisals and sign a joint report.

(3) An appraisal report should state the conditions under which the valuation obtains, and should be in detail, upon a standard form furnished by the National Association of Real Estate Boards.

(4) An appraiser should have no interest in the property which is being appraised unless his interest is specifically disclosed in the appraisal report.

(5) An appraisal for a bond issue should in addition to showing the fair cash market value of the property also show the appraiser's estimate of gross earnings, operating expenses and resulting net income. In case the capitalization of the net income and the valuation are not reconciled, the reasons for the difference should be explained.

(6) All advertisements of bond issues should give the name or names and addresses of the appraisers, and should quote sufficiently from the appraisal report, both as to physical value and income, to reflect correctly the opinion and judgment of the appraiser, and certified copies of the full appraisal report should be available to the public at all times.

The association also arrived at several general recommendations of more or less importance. It recommends that the title "first mortgage real estate bonds" should be used only when the bonds are a first lien on both land and building and that the title "first mortgage leasehold bonds" should be used where such bonds are a first lien upon the leasehold. Every real estate bond issue should provide for the amortization of the debt to offset depreciation and absolescence. The governing body also recommends that proceeds of bonds secured by uncompleted buildings should be segregated and absolutely protected from the general risks of the issuing house. Furthermore, it recommends that more details regarding the bonds and appraisers' reports should be given in advertisements and public announcements.

It is likely that these recommendations will be accepted by the Canadian houses connected with the National Association.

Volume of American Trade More Extensive This Year

Measured by check payments, the dollar volume of American business during the week ending April 30, although lower than in the previous week, was substantially greater than a year earlier, according to the weekly statement of the Department of Commerce. Wholesale prices showed practically no change from the previous week, but were substantially lower than in the corresponding week of the preceding year. Loans and discounts of federal reserve member banks expanded slightly, being well above the corresponding week of 1926.

New building contracts awarded during the last week in April, aggregating $160,000,000 for 37 states, were larger than in either the previous week or the corresponding week of 1926. Business failures, although less numerous than last year, were greater than in the previous week.

The production of bituminous coal during the week ending April 23 was smaller than in either the preceding week or the corresponding week of last year, due principally to strike conditions within the industry. The output of lumber in the same week was likewise smaller than in either prior period. Beehive-coke production, although slightly larger than in the previous week, was substantially lower than a year ago. The output of crude petroleum again increased.

B.C. Log Production

VICTORIA, B.C.—Logging production for the first three months of the year has exceeded the same period of the previous year, and there are no surplus logs on the market. This indicates a healthy condition in the lumbering industry.

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WHEN REMITTING SEND CANADIAN NATIONAL EXPRESS MONEY ORDERS

Advertise Empire Goods to Football Crowds

The Empire Marketing Board secured facilities—available to no other advertisers—for catching the eyes of the vast public which came to watch the Football Association Cup Final played at the Wembley Stadium, London, Eng., on April 23rd, 1927.

Six streamers were erected over the main entrances to the Stadium. The letters were between 4 and 5 feet in height. All the streamers were decorated at either end with huge rosettes in the colours of the competing teams.

About 100,000 people came in and out of these entrances in the course of the day, and not one of them can have missed the Empire Marketing Board's messages.

Incendiarism Largely Attributed to Methods of Placing Insurance

By JOHN G. GAMBER, State Fire Marshall of Illinois.

An address delivered before the annual conference of the Dominion Fire Prevention Association, Ottawa.

I know of no problem on which more effort is being concentrated and more money expended than that of the fire waste of the United States and Canada. For a number of years new organizations and agencies have been swinging into line, until the battle front now includes the leading civic and trade organizations of the continent. And yet we are confronted with the strange paradox of the fire loss mounting each year, despite the best efforts of this formidable array.

There is another unique feature to the situation. Fire hazards are for the most part simple and easily understood. We are not battling in the dark for some remote, hidden and unknown cause, as is the medical profession in its fight to conquer the scourge cancer. We who are trying to conquer the fire scourge know the causes; the public knows them; even a small child can understand them; and the remedies are simple. Despite this, the losses mount and the simplest causes of all head the list—matches and smoking; defective chimneys and flues; stoves, furnaces, boilers and their pipes; spontaneous combustion; electricity; sparks on wooden shingle roofs.

Incendiary Losses Heavy

Out of an estimated loss of approximately $560,000,000 in the United States in 1925, almost $250,000,000 was attributed to unknown causes. In other words, it was not possible to ascertain the causes of fires which were responsible for almost 45 per cent of the loss. These fires of unknown origin cover a multitude of sins, one of the most glaring of which is the incendiary losses. The losses of unquestioned incendiary origin only amounted to about $2,000,000, but incendiary losses of many times that amount are hidden in the "unknown" column. Some of them are concealed among the well known causes of fire, through cleverness of the crook in setting a fire in such a way that it appears to have been accidental.

I think the alarming increase in our annual fire waste in the United States may be largely attributed to incendiarism, and no doubt conditions in Canada are similar. This could be abated if a way were devised to prevent the crook from securing insurance, or at least keep him from securing too much insurance.

I think the continued large losses from accidental fires are due largely to people relying on the insurance companies to indemnify them if they have a loss, instead of taking it upon themselves to prevent a loss. A way must be found to reverse this order of things.

The longer I am engaged in fire prevention work, the more I feel that cooperation of the insurance companies is essential to any real results we may secure. I believe that the key to success is in mutual co-operation.

"Stop, Look and Listen"

Fire insurance for several years has been at the "stop, look and listen" stage. Our tremendous burning rate has produced a loss ratio which has wiped out profits. The only thing which has saved the companies has been earnings on funds invested.

Take Profits Out of Fires

I contend that we will not reduce the fire waste until (1) we take the profit out of fires and (2) we make the assured clean up his fire hazards if he expects to carry fire insurance. When we get down to that basis, we will make some real progress.

Suppose I am starting in business and want a loan at the bank. I will get that loan only if I can produce collateral which will amply protect the loan if it is necessary for the bank to foreclose. The chances are that I will be cross-examined by the banker, and my balance sheets, assets and integrity will be very carefully scrutinized. When the banker is convinced that the loan is safe, I may get it.

Of course, the banker insists that I have ample fire insurance coverage. I go to the local agent, expecting, perhaps, to get another cross-examination and prepared to show that I have stock and fixtures equal to the amount of insurance desired. What happens? If the agent is the ordinary kind of agent he probably will say: "How much do you want?" When I tell him, he may ask: "Is that enough?" And I may end up by buying more than I had expected.

Suppose business goes bad. My notes at the bank are almost due. I face certain foreclosure. I can't see a way out. In a dark hour the thought comes to me: "If this place would burn I could pay out and have a little left out of the excess insurance." I dwell on that thought. Why not make a larger profit for myself? It occurs to me that it was very easy to secure insurance in the first instance. I go back to the same agent or perhaps to another one. At any rate, I learn it is easy to find an agent who will write me what I want. Then I prepare for the fire.

Insurance is Easy to Get

I did not start out to be a crook, but the ease of securing insurance offered too great a temptation.

Now the bank was loaning money to me on exactly the same assets which the fire insurance agent was underwriting. If it is good business for the bank to see that the loan was backed with ample security, is it not as good business for the insurance agent to see that the policy is backed by ample assets? Why should not the insurance agent determine by inspection or other evidence that I actually have the value I am seeking to cover? When I sought additional insurance, was it not up to the agent to determine that I already had some coverage and then to satisfy himself that my balance sheets, stock, etc., warranted the increase I was seeking? There is every bit as much reason why the insurance companies should protect themselves against fraud as the banks.

I mentioned that the banker would take care to satisfy himself as to my personal integrity, my record for success and failure. Banks give a great deal of weight to the character of the applicant. A good many men in the business of loaning money place character first in determining the amount of the loan, or whether it shall be made at all. If bankers find it sound policy to give so much weight to character, why is it not sound policy for insurance agents to do likewise? In last analysis, it is really the individual who is being underwritten. An honest man will not have a crooked loss. A man who has a record of several fires to his credit is likely to have more fires.

Property Should be Examined

I want to take an illustration from another source—life insurance. A life insurance policy will not be issued until the applicant has passed a rigid physical examination and has been pronounced fit. He must also make a showing as to the nature of illnesses he may have suffered in the past, and whether he has ever been rejected by any company.

Now, why should property be accepted as a fire risk unless it can stand physical examination and be pronounced free from fire hazards? A life insurance company will turn down an applicant with weak lungs. Is not a defective flue as great a hazard for the fire insurance company? Why should not fire insurance companies regard bad electric wiring, defective heating apparatus, rubbish conditions, and the other common hazards with as much concern as the life insurance companies regard human ailments or the symptoms of such ailments? There is as much reason for fire insurance companies to require property to be free from hazards as there is for life insurance companies to require a clean bill of health. A physical examination should be required of all property before an agent writes any fire insurance on it, and no policy should issue unless the property is reasonably free from fire hazards. It strikes me that would not only be sound policy for the companies, but fair to policy holders. Why should careful policy holders, who keep their premises up in safe condition, be penalized for those who make no pretense of doing so? Why should an insurance company blindly take on a risk, without any inspection to determine whether it is safe?

Should Follow "Life" Policy

I think the fire insurance application should also follow the line of the life insurance application by requiring certain information as to the past history of the applicant. Where has he resided for a certain number of years past? What has been his business or employment during that time? Has he had any fires and, if so, when, where and under what circumstances? Did he have insurance and how much did he collect? Has he ever failed in business or gone through bankruptcy? This information would give the companies something to check up on. No doubt dishonest applicants would lie, but false answers could be made to constitute the voiding of the policy. The applicant should also be required to show if he has other insurance and, if so, the details of the policies. I believe a stipulation should appear in every fire insurance policy, requiring the company to consent to any addi-

(Continued on page 14)

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SECURITY
Paid-up Capital $2,414,663.00
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"I am not coming back. Just wind up the affairs of the Firm, take care of my personal accounts, see that my wife gets enough to live on — sorry old man, but I cannot stay to see it all through, —"

Death dissolves all partnerships, and there is but one way out — as a matter of business have your Partner's life insured in your favor. A Canada Life policy for $10,000 or more will take his place to some extent, and relieve you of burdens which only a harassed Executor and surviving partner can know.

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MONTREAL OFFICE 189 St. James Street
Established 1901
E. R. WOOD, President
LONDON, ENG., OFFICE No. 6 Austin Friars
Head Office: 26 King Street East
TORONTO 2

ENGLISH ELECTRIC CO. SHOWS HIGHER NET GAIN IN YEAR

Company Does Much Better After Two Unsatisfactory Reports

Annual report of English Electric Co., for the year ended December 31, 1926, shows a great improvement in earnings over the previous year. Profits after depreciation were $163,156, compared with $24,004 in 1925 and $55,092 in 1924. The depreciation of $40,000 is the same as for the two previous years.

The working capital of the company is $619,320 and the ratio of current assets to current liabilities is satisfactory, the former being $751,455 and the latter $132,135. Capital assets are shown at $2,365,941. The corporate surplus stands at $384,311 after payment of 3½ per cent. dividends on the 8 per cent. cumulative preferred stock of the par value of $2,000,000. The dividends on this stock have been paid to June 30, 1923.

In the report of the directors, signed by R. A. Stinson, president, reference is made to improved general business conditions throughout Canada, and it is noted that the company has benefited considerably from the expansion in the newsprint industry, power development and mining operations.

It is stated, further, that the company would have done a large volume of business in 1926 if the parent works in England had not been hampered in the manufacture of materials used by the Canadian company, by the coal strike which paralyzed partially all industry in the British Isles.

It is added that the outlook for 1927 is encouraging.

Profit and Loss

	1926	1925	1924
Profits	$203,156	$ 64,004	$ 95,092
Depreciation	40,000	40,000	40,000
Income tax	2,693	....	....
	$160,463	$ 24,004	$ 55,092
Pref. dividend	70,000	50,000	....
Surplus for year	$ 90,463	$ 25,996x	$ 55,092
Prev. Surplus	293,848	319,844	264,752
P. & L. Surplus	$384,311	$293,848	$319,844

x—Deficit.

Starke Added to Board

Colonel George R. Starke, president of Dominion Transport Company, Ltd., and director of Reliance Insurance Co. of Canada, has been appointed a director of the Willison Neely Corporation, Investment Bankers, Toronto.

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Are Power Stocks Selling too High?

From Our Own Correspondent.

MONTREAL. — Are the power stocks too high? It is thought by usually well informed individuals that some are. But the public does not think so. The strength in Shawinigan and its subsidiary, the Quebec Power, has caused many investors to believe that anything and everything which the guiding hand of Shawinigan touches will immediately turn to gold.

The common stocks of the United Securities and the Canadian Light and Power have had a marked appreciation in the past week or ten days. But it is felt that the appreciation in the shares has been due chiefly to the close association which exists between these two companies and Shawinigan rather than to any real possibility of immediate increases in the earnings of United Securities and Canadian Light.

The situation surrounding the strength in the shares of Shawinigan seems to be that the public have obtained a better appreciation of the probable future of the company; in any event the shares are not selling out of line with the stock of such companies as Montreal Power. The Quebec Power shares are in a different category, for investors are awaiting some announcement which will give a clue to the phenomenal rise which the shares have experienced.

Gossip indicated recently that Shawinigan and all its component companies would shortly be merged into the huge hydro-electric and public utility organization, but, as Mark Twain said about the report of his death, "The story is exaggerated." There seems to be no chance of such a merger at present.

MARKET INDICATOR

	High	Low
20 Industrial Stocks		
Week of May 11	98.7	94.9
Week of May 4	97.1	93.8
Month of May, 1926	75.2	69.7
9 Bank Stocks		
Week of May 11	$242	$239
Week of May 4	240	239
Month of May, 1926	224	222
10 Public Utilities		
Week of May 11	114	110
Week of May 4	115	109
Month of May, 1926	94	90

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	5	2	2	9
Paper	6	4	5	15
Steel	15	6	20	41
Foodstuffs	11	15	20	46
Utilities	6	13	10	29
Tractions	4	4	6	14
Industrials	13	13	30	56
Textiles	5	3	10	18
Total	65	60	103	228

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo-Ft. Erie Bdge 7s '55	107½	108¾
Do., 8s '45	106½	108
Buff Gen Elec 1st 5s '39	104	...
Do., pref. 5s '39	104	...
Bfo N & E Pow 5s '30	100	101
Lockport L H & P 5½ '54	102½	...
N. F. 1st & com. 6s 1950	105	106
STOCKS		
Niagara Falls Pw. pf.	28¼	29¼
Niag. Lock & Ont. pf.	113¾	115

RAILWAY EARNINGS

Week end May 7	1927	1926	Change
C. P. R.	$3,574,000	$3,088,000	+$486,000
C N.R.	5,296,295	4,708,893	+ 587,401

The Corporation of the
CITY OF COURTENAY

Tenders are invited for the purchase of $8,000.00, 5 per cent. 20 year School Debentures also $10,000.00, 5 per cent. 20 year Electric Light Debentures.

Tenders will close on May 20th, 1927.

CLINTON S. WOOD,
City Clerk.

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FAMOUS PLAYERS FIRST PREFERRED IS OUT OF LINE

Stock Should Sell Higher in Present Market; Record is Good

One of the preferred stocks which appears to be underpriced in the present stock market, is the first preferred of Famous Players Canadian Company. This first preferred has been selling from 95 to 96, and changing hands in odd lots at 96½. At the latter price the yield is 8.29 per cent. There are few preferred stocks without arrears of dividends which at present are yielding anything like this rate.

There is no satisfactory explanation as to why this first preferred should be selling at a figure giving a higher yield than is usual for a preferred stock under existing conditions. As will be seen from the following table, gross profits of the corporation have been increasing steadily since 1921:

1921	$380,839
1922	439,192
1923	609,738
1924	722,787
1925	730,607
1926	800,581

There was a slight drop in the net profit in the 52 weeks ended August 28, 1926, compared to the previous year, but this was attributable to a greatly increased appropriation for depreciation, rather than to a drop in gross revenue. In 1926, $265,408 was charged to depreciation, compared with $180,000 for 1925 and $$190,000 for 1924. The net profit for 1926 was shown at $400,942, compared with $413,169 the previous year, $404,362 in 1924, and $379,936 in 1923.

Directors are Able

Total assets have grown from $13,756,000 in 1921 to $15,535,060 in 1926.

One of the reasons for confidence in this company as a medium of investment is the high quality of the directorate. The directors are Aolph Zukor (president), Sir William Wiseman, S. R. Kent, W. D. Ross, N. L. Nathanson (managing director), J. P. Bickell, W. J. Sheppard, I. W. Killam, Sir Herbert S. Holt and J. B. Tudhope.

Famous Players Canadian Corporation was incorporated in 1920 to acquire and operate modern motion picture theatres in the larger cities of Canada. By the end of 1925, the corporation leased or controlled through subsidiaries 54 theatres with a total seating capacity of 64,000. Its enterprises are located throughout Canada except in the East, with a concentration of properties in and around Toronto and Montreal. In many instances, it co-operates with local interests in the management of theatres, usually through an ownership of about half the common stock of these enterprises.

Mergers are Profitable

In many instances, the directors have been successful in adjusting local conditions so that profits are appearing where deficits were to be expected. An illustration is of one smaller Ontario city where there were two theatres, each losing money on operations. Famous Players effected a merger which left the management of the competing theatre in control and itself in a good position with regard to the booking of attractions. The result of this change is that both Famous Players and its former competitor are now deriving a net income of about $15,000 yearly from this small city.

Famous Players dominates the Canadian motion picture field because of this ability on the part of the directors to control conditions which are inimical to progress. In other respects than in dealing with local theatre problems, the directors also have been successful. It is the custom to purchase films from a number of sources, including chains which normally might be viewed as competitors of Famous Players. The result of this attitude is that competing booking agencies which might be tempted to enter the Canadian field in order to get their films exhibited, are content to permit Famous Players to remain supreme in the field so long as there is not room for two chains of similar character and magnitude.

The funded debt of Famous Players Canadian Corp. is moderate, amounting to only about $940,000, as compared with theatre property valued at $5,038,503. The issued bonds are 6½ per cent. sinking fund bonds, due in 1943.

The first preferred stock outstanding totals $4,200,900. The second preferred, $1,000,000, has accumulated arrears of dividends since November, 1920. The first preferred is redeemable in whole or in part at 105 and accrued dividend on any dividend date.

UNLISTED SECURITIES

	Bid	Asked
Brooks Motor, 1 pref. & com.	.	4
Do., 1 pref. and 2 com.	..	6
Can. Machinery, com.	5	7
Can. Westinghouse, com.	195	..
Chase, A. W., com.	6	10
Do., pref.	70	80
Goodyear Tire, 6% pref.	99	100
Gunns, Ltd., pref. (new)	102	..
King Edward Hotel, Deb. A.	77½	80
Farmers Dairy, com.	70	80
King Edward Hotel, Deb. B.	70	72
Loew's Buffalo, pref.	39	44
Nat. Grocers, 1st pref.	94	98
Nat. Grocers, com.	1	4
Continental Life, 20% paid	45	56
Crown Life	190	..
Empire Life	29	32
Excelsior Life, 20% paid	76	85
Great West Life	425	450
Monarch Life, 10% paid	39	42
Mortgage Discount, pref.	6	6¾
Ontario Equitable	26	28
Security Life, 40% paid	..	28
Sun Life, 75% paid	975	1125
Toronto Finance, pref.	3½	4½
Canada Life	900	925
Capital Life, 20% paid	22	..
Farmers Dairy, pref	103	105
Dom. Combing Units	15	25
Dom. Sewer Pipe	55	56

Zimmerknit Ltd; to Offer Public Preferred Stock

Formal announcement will be made shortly of an issue of $750,000 of preferred stock of Zimmerknit, Ltd., manufacturers of knit goods of Hamilton, Ont. R. O. Denman & Co. are making the offering.

The stock will be 7 per cent. cumulative, dividends to begin with the sale of the stock and purchasers will be given the right to subscribe to an equal amount of no-par common stock at $16 the share.

Zimmerknit, Ltd., was organized in 1907 by the late Adam Zimmerman and has had a successful career. According to the preliminary prospectus now being circulated among a few investment houses, the net earnings in the last four years have averaged about double the preferred stock requirements of the new issue.

Fixed assets of the company are conservatively appraised at $798,000 and current assets at $382,000.

The new board of directors to be elected will be several of the most successful business men in Hamilton, including R. L. Innes, Alan V. Young, Mark B. Holton, Walter S. Burrill, A. F. Zimmerman, F. J. Maw and R. O. Denman.

Say $2, But it May be Less on Massey-Harris

Massey-Harris common shares are now being offered to investors in England through the well-known London investment house of Kitcat & Allen. British interest in this Canadian industrial company is considered a happy augury for the stock, which reacted favorably when the news was broached, the issue now selling at from $3 to $4 above the book value as at the end of the last fiscal year, after giving effect to the conversion of the common into shares of no-par value.

It is probable that within a short time the directors will act with regard to the dividend on this stock. Although the company showed earnings of $9.57 on the old stock of $100 par value last year, no dividend was paid. It is said that earnings so far in the current fiscal year have been in excess of last year, with no unfavorable conditions in sight, so that a dividend is early to be expected. The Toronto financial district says that this dividend will be not less than $2 the share, which would be equivalent to $8 on the old stock, but, so far as has been revealed, the directors have not determined what the dividend will be. In view of the conservative character of the board, it will not be surprising if the dividend is somewhat less than is being suggested in stock brokerage circles.

Pay 2 Per Cent. on Arrears

Canada Foundries and Forgings has declared a dividend of 2 per cent. on the arrears of the preferred stock of the company. At the end of 1926 the accumulated arrears on the preferred stock amounted to 41½ per cent., payments having been discontinued in the early part of 1921.

The earnings of the company have shown considerable improvement in the past two years.

Hillcrest April Tonnage

During the month of April the Hillcrest Collieries shipped 25,500 tons of coal.

Adequate Interest

INVESTORS should consider carefully whether their investments are yielding an adequate income.

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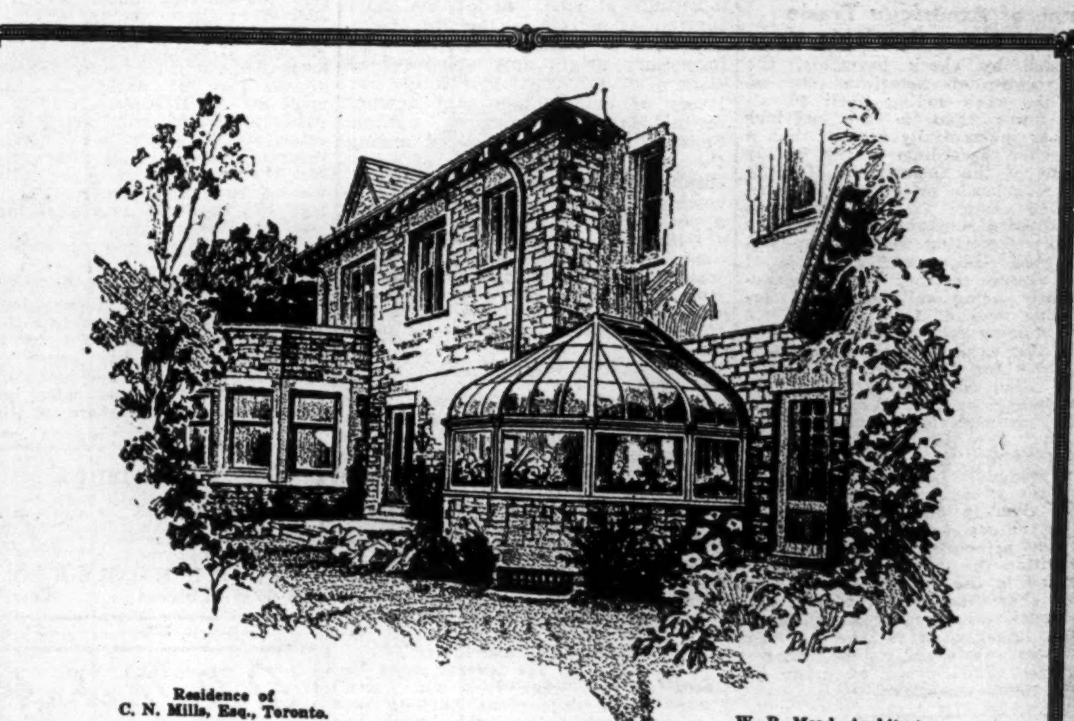

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B. A. OIL WILL USE FOUR MILLION OF NEW CAPITAL

Financial Community is Somewhat Disappointed at Terms of Issue

From Our Own Correspondent.

British-American Oil Co. will have $3,769,360 additional capital when, and if, present shareholders subscribe for new shares at $17.50 in ratio of one new for every five held. Up to late last year, this company has issued capital of $6,731,000 of the par value of $25, or 269,240 shares in all. The shareholders authorized the splitting of the $25 shares into four no-par value, increasing the issued shares to 1,076,960. One-fifth of this number is 215,392, which will bring the issued shares to 1,292,352.

There have been rumors of a new issue of stock for some time. The stock market, however, apparently was somewhat disappointed at the terms of the issue, the more optimistic traders having come to the conclusion that something more favorable to the shareholders would be announced. The close on May 9th was 27, and the close May 10th, after the news leaked out, was 26.

The new capital will be used for expansion in parts of the country not now covered, or not now fully covered, by the company, it is understood. It was announced at the annual meeting a few weeks ago that the company probably would require additional capital in the course of the year. The prevailing dividend on the stock is 80 cents annually.

GENEVA ECONOMIC ASSEMBLY WILL NOT BIND ANY COUNTRY

(Continued from page 1)

ance, with special reference to the fiscal and other policies affecting international trade for the future.

Intimately associated with these central features, and conditioning them in various ways are such problems as emigration and immigration, policies with reference to the control of raw materials, the treatment of international combinations alike in the fields of production and distribution, the international investment of capital and the degree of freedom or control as effecting it, etc. In these, among other respects, the chief interests first to be considered are those of Europe. Indeed, it is primarily over the head of success or failure of the stable readjustment of Europe that the interests of the remainder of the world chiefly come in.

Question of Trade Barriers

This means that the first practical questions to be considered centre around customs barriers and international exchange; and these in turn are connected with the dissolution of previously well-established trade connections, through the total or partial re-adjustment of international boundaries. Thus we have the erection into independent countries of what were previously merely provinces of one single country, as in the case of Poland or Czecho-Slovakia, formerly sections of Germany and Austria. These countries obtain for the first time the rights of completely independent nationalities, with international relations and rights in respect to each other and to all the other countries of the world. Their trade therefore becomes subject to both domestic customs control and all foreign customs laws and regulations. In other cases, it has involved the transfer of portions of a domestic economic territory from one country to another, as in the case of the re-annexation of Alsace and Lorraine to France, or of the portions of Southern Austria to Italy etc.

Making Re-adjustments

These re-adjustments may involve not only a change in fiscal relations, but a dislocation of industries, in which raw materials have either to be again secured on an international basis or the previous industrial combinations dropped and new international supplies or markets sought. Where re-adjustments have to be made, these may be accomplished on either a public or a private basis; but in the latter case with the tacit or explicit approval of the respective national governments, as in the case of the combination and co-operation of the coal and smelting interests of Germany with the iron interests in Lorraine, etc.

Then there are additional complications and difficulties which have arisen owing to the dislocation of exchange from the depreciation of the currencies of different countries through the excessive issue of paper money etc. These and other conditions operating in different degrees have left the international trade of Europe, and through it the international trade of the world, in a more or less uncertain and unstable situation as compared with conditions before the war, difficult enough as some of these were.

Problem of After-War Payments

One of the most important new factors affecting not only domestic but especially international trade. arises from the heavy international payments which have to be made in consequence of the war. These are due either to the indemnities fixed by the Treaty of Versailles or to the liquidation of the heavy debts incurred by various nations to others during the course of the war. Obviously, where one country has very large periodic payments to make to another, it is correspondingly difficult for the first nation to make extensive purchases from the second, since these must increase the other payments to be made either in goods or exchange. These factors must seriously affect not only the exchanges between these two countries alone, but the general economic relations between these and many of the other countries. These special conditions are, of course, relative to purely artificial and temporary situations, but they are likely to be so prolonged that they will produce results which are, for all practical purposes, akin to permanent conditions.

No Freedom of Trade

At first there was a tendency to assume it to be an important part of the work of the League of Nations to undertake the establishment of economic peace after the accomplishment of military peace. This task was attempted through the Economic Committee of the League. Plans were drawn for the abolition, or at least the very material reduction of the high customs and other barriers erected between various re-adjusted nations of Europe. In this respect, however, the efforts of the League have proved so far to be very disappointing. Owing to the multitude of special conditions, most of them turning on such questions as national revenue and finance, the protection of international industries, the economic and political jealousies of the newly established nations, etc., it has been found impossible to draw up any approximately uniform conditions looking to the establishment of anything like freedom of trade between the different countries. Attention is therefore being more particularly directed, through the medium of the League or independently of it, toward the accomplishment of specific agreements and trade treaties between individual countries, suited to their especial conditions and relations, whether temporary or permanent.

No Binding Decisions

To promote and facilitate a study of the varied conditions affecting world trade, and thus to prepare the ground for the realization of international agreements, general or specific, is the chief object of the International Conference which assembled this week. In order that the widest and freest scope may be afforded for such studies, no particular conclusions are to be reached by majority votes, and nothing at all of a binding nature with reference to international economic conditions is to be sought. The chief object is to secure a frank and free discussion of the various economic problems in all their actual or possible bearings. Such concrete results as may be suggested by these studies are to be left to be applied by the different countries themselves as the international requirements between them may suggest.

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Stock Market Record

WEEK ENDING MAY 10

	Div. Rate	Yield May 9	High for wk.	Low for wk.	Close May 10	Close May 3	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	5.31	245	243	244	243	133	248	228
Dominion	12+1	5.72	227	227	227	227	47	230	217
Can. Nationale	10	6.05	165¼	165	165¼	165	19	165½	160½
Imperial	12+1	5.97	218	217½	217½	218	87	222	214
Montreal	12+2	4.72	296	292½	296	295	151	296	272
Nova Scotia	16	5.00	322	319½	320	320	121	322	298
Royal	12+2	5.32	264	261½	264	260½	381	266	257
Standard	12	5.94	202	200	200	200¼	19	207	196
Toronto	12	5.19	231½	231	231½	231	13	238½	230
Paper—									
Abitibi, com. (no par)	5	5.47	91½	87	91	89½	2060	94	82
Do. pref.	7	5.93	118	118	118	117	10	119	113
Belgo-Can., pref.	7	6.79	103½	102	102	103¾	120	105	101
Brompton (no par)	$2	6.25	32½	32	32¼	32½	2296	35	31
Fraser, pref.	7	7.19	97½	97	97¼	98	55	98	96¾
Inter. Paper	$2	4.00	50⅞	46⅝	50½	44600	..	60⅞	46⅝
Laurentide	6	6.13	98½	96½	97	97	3649	110¾	96½
Price Bros., com.	2	3.47	58½	57½	57½	58½	340	63	57½
Do. pref.	6½	6.37	102	101½	102	102	95	104	100
Prov. Paper, com.	6+1	5.38	..	...	...	...	...	130	115
Do. pref.	7	6.04	..	...	...	...	...	107	105¼
Smith, Howard, com.	.	...	62	62	62	61½	230	68¾	60
Do. pref.	8	7.28	110¼	109¾	110	110	230	110¼	103½
Span. River, com.	7	7.03	100	98	100	98½	730	102¾	98
Do. pref.	7	6.19	113	111	113	110¼	374	116½	110¼
Wayagamack	$3	5.60	54	52	54	54	965	59	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	½	¼	½	½	200	1⅜	¼
Do. 1st pref.	.	...	20	18	20	18¼	510	22¼	10
Do. 2nd pref.	.	...	2¾	2¼	2½	2	795	4	1
Can. Car & Found., com.	.	...	43½	41	41	43½	85	50¼	38½
Do. pref.	7	7.86	90	89	89	90	399	94½	88
Can. Fairbanks, pref.	6	6.74	..	...	...	...	...	89	80
Can. Forgings, com.	.	...	27	24½	27	24½	335	27	18
Do. pref.	.	...	87½	84	87	84	705	87½	66
C.G.E., com. (par $50)	.	...	..	...	...	...	...	51½	50
Do. pref. (par $50)	7	5.93	60	58	58	58	350	60	56
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	8.23	87½	85	85	85	24	89	85
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	7.27	..	...	...	...	...	60	42
Dominion Bridge	4+2	3.24	190½	163	190	162½	25530	190½	116¾
Dominion Coal	.	...	83	83	83	83	200	85	69
Dominion Iron, pref.	.	...	..	...	...	...	...	5	2¾
Dom. Radiator, pref.	7	7.00	..	...	...	...	...	101¾	101
Dom. Steel Corp., pref.	.	...	29¼	22¼	29¼	22¼	470	29¼	20
Ford Motor	10	...	..	...	...	...	...	436	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	14	12½	13	13⅛	95	15	9⅞
Do. pref.	7	7.86	89	89	89	89	60	95	88½
Massey-Harris, com.	.	...	37	36	36½	36⅝	29301	38½	29
Do. pref.	7	6.45	108½	108	108¼	108	945	109¾	103½
McKin. Ind., c. (no par)	.	...	25¼	21	24	20	519	25¼	15
Do. pref.	7	7.29	96	95½	96	95	35	96	93¼
Do. Voting Trust	.	...	26	18½	25½	18½	9935	26	15
Ontario Steel, com.	4	5.33	..	...	...	...	...	78	73
Do. pref.	7	6.79	..	...	...	...	...	103½	100
Page Hersey, c. (no par)	$3	4.31	70¼	67¾	69½	68	3714	70¼	55½
Do. pref.	7	5.00	140½	135⅝	139¼	136	7896	140½	116
Pressed Metals, com.	.	...	43	43	43	45	50	46¾	34¼
Do. pref.	7	8.04	87	87	87	87	75	87	85
Russell Motor, com.	3	5.60	..	...	...	...	...	53½	52
Do. pref.	7	7.52	93	93	93	95	3	97⅛	90⅛
Sawyer-Massey, com.	.	...	..	...	...	...	...	1	1
Do. pref.	.	...	..	...	...	...	...	22	5
Steel of Canada, com.	7	5.38	132½	129	130⅛	127⅛	1947	136	117
Do. pref.	7	5.18	136	134½	136	135	114	137	127
Milling and Foodstuffs—									
Alta. Pac. Grain, com.	.	...	22	21½	22	21	205	27¼	19½
Do. pref.	7	7.86	89¼	88½	88¾	89	248	92	87½
Arnolds, com. (no par)	.	...	19	16¾	17	19⅝	1439	26	16¾
Do. pref.	7	7.36	..	...	...	...	...	95	84
Atlantic Sugar, com.	.	...	32	28½	30	28½	8165	32	24½
Do. pref.	.	...	100	93	99¾	93	385	100	90
B.C. Fishing	5	6.28	80	78½	78½	79¾	465	94½	72½
Do. new	$1.25	7.00	19¼	18½	18½	19	470	22	18½
Do. pref.	7	8.14	86¾	86	86	86	135	90	86
Can. Bak., c. (no par)	.	...	34	34	34	35	100	38½	27
Do. pref.	7	7.07	99	99	99	99	35	102	98
Can. Bread, c. (no par)	$5	4.54	..	...	...	...	...	116	90
Do. pref. (A)	7	6.03	..	...	...	...	...	116	108½
Do. pref. (B)	7	6.42	109½	109	109	109½	12	112¼	103
Can. Canners, com.	.	...	60	58½	58½	60	167	63½	21
Do. pref.	4	4.27	94	91½	92¼	91½	653	97	76
Canadian Salt	8	5.92	..	...	...	...	...	136	123
Christie Brown (no par)	$1.20	2.40	51	47	50	46¼	1155	51	38
City Dairy, c. (par $25)	$3+1	3.60	111	111	111	111	200	115½	79
Do. pref.	7	5.93	119	118	118	118	13	119	112
Cuban Can. Sugar, com.	.	...	..	...	...	...	...	5	2¾
Do. pref.	.	...	..	...	...	...	...	37	29
Davies, Wm. (A) (no par)	.	...	36½	33½	36	36	1910	37	25
Do. (B) (no par)	.	...	..	...	...	...	...	16	9
Dominion Stores (no par)	$2.40	2.90	83¾	82	82	82½	840	85½	65
Hamilton Dairies, com.	.	...	31	30½	31	30	25	33	24
Do. pref.	7	7.21	97	97	97	97	8	98½	96
Inter. Milling, pref.	7	6.60	106	105½	106	106	60	107	104
Lake of Woods, com.	12	8.95	138	133½	133½	140	260	160	133½
Do. pref.	7	5.98	117	117	117	116	25	117	115
Loblaw, com.	$1.25	2.50	50	49½	50	50	55	51	48
Do. pref.	7	6.45	..	...	...	...	...	110	107
Maple Leaf Mill, com.	.	...	65	61	61	70	40	73½	61
Do. pref.	7	7.29	97½	96	97½	96	75	101¼	94
Ogilvie Flour, com.	5	1.81	..	...	...	...	...	290	205
Do. pref.	7	5.69	124	124	124	123	48	124	120¼
Pure Gold Mfg. (no par)	$1.50	7.50	20	20	20	21	20	21½	19⅛
Shredded Wheat (no par)	$3	4.51	68	66½	66½	68	102	70½	55
St. Law. Flour, com.	.	...	30	30	30	30	115	31½	28
Do. pref.	7	8.75	..	...	...	...	...	84	80
Viau Biscuits, com.	.	...	22	19	22	18½	611	26	18
Do. pref.	7	7.95	88	87	87	89½	36	90	83½
West. Can. Fl., c. (no par)	$1.40	5.00	28	26½	28	27½	336	29½	22
Do. pref.	6½	6.31	103	103	103	103	25	103¼	100
Western Groc., c. (no par)	$1	...	19	19	19	20	15	29	19
Do. pref.	7	8.80	79	78½	79½	79	85	84	74¼
Utilities—									
Bell Telephone	8	5.57	145	142¾	143¼	144½	1228	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.52	181	180	181	181	134	182	171½
East Koot. Power, com.	.	...	27	27	27	28	150	29¼	26
Do. pref.	7	7.21	97	97	97	97	20	98½	96¼
Inter. Util. (A) (no par)	$3.50	...	34¼	33½	33½	33¼	220	35¼	28
Jamaica Pub. Ser., pref.	7	7.00	100	100	100	99	32	100	97
Laurentide Power	5	4.54	110	109¾	110	114½	45	120	107½
Mackay, com.	7	5.83	120	119	119	120	656	127½	119
Do. pref.	4	5.71	70	69½	69½	70	95	74	69
Mexican Light, com.	.	...	41½	41¼	41½	42¾	10	42¾	27
Do. pref.	.	...	120	106¾	116	107	271	120	77¼
Mont. L H & Pr. (no par)	$2	2.34	85¾	84¼	85	85	11034	85¾	68⅛
Montreal Teleg. (par $40)	8	5.23	50½	49¾	50	50	16	50½	49
Nor. Mexico Pr., com.	1	...	58	56½	58	57	145	59½	42
Do. pref.	7	7.95	88	88	88	87	8	88	82½
Ottawa & Hull Pr., com.	.	...	27	27	27	27	250	28	26
Do. pref.	7	7.21	97	97	97	97	15	99½	96
Ottawa L. H. & Pr., com.	6	5.76	104	101½	101½	103½	230	104	98½
Do. pref.	6½	6.07	107	107	107	107	6	107½	102
Quebec Power, com.	6	2.09	311	285	292	298	10544	311	190
Do. Rights	.	...	..	...	...	...	...	54½	31
Shawinigan	$2	2.32	90	83	85	87½	25312	90	67
South. Can. Power, com.	$2	2.28	89	87¼	87½	89	72	91	85
Do. pref.	6	5.98	101	100¼	101	100½	124	102	100
Transportation—									
Can. Pacific Rly.	10	5.52	181½	180	181	181	315	190	166
Can. Steamships, com.	.	...	39	38½	39	40	335	42	35
Do. pref.	6	6.63	91	90	90	91	1913	92½	82¼
Do. voting	.	...	35	35	35	35½	100	37½	32½
Tractions—									
Barcelona (par $50)	$1	...	51	50	51	49¼	18	51	33¼
Brazilian, com.	6	4.32	140¾	137	137	140¼	20185	141⅝	102½
Do. pref.	6	4.91	122	121	121½	121	815	122	104
Detroit Un. Rly.	.	...	..	...	...	...	...	5	2
Duluth-Superior	.	...	29½	28	28¼	29½	167	30⅛	25
Mexican Trams.	.	...	20	20	20	20	6	21	19¼
Montreal Trams.	10	5.29	189	189	189	189	25	200	169
Ottawa Traction	4	5.79	69	69	69	69	10	70	64
Porto Rico Rlys., com.	2	2.80	..	...	...	...	...	70¾	59
Do. pref.	7	7.44	96	94	96	94	34	96¼	90
Twin City, com.	4	7.33	55½	54	54	55	315	66	54
Do. pref.	7	6.96	..	...	...	...	...	101	100
Winnipeg Elec., com.	.	...	67	65½	66½	66	984	68¾	60¾
Do. pref.	7	6.86	104	102	102	103	166	105	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	9.30	43	43	43	43	5	50	38
Can. Converters	7	6.86	102	100	102	105	18	107½	100
Can. Cotton, com.	8	6.40	..	...	...	...	...	132	120
Do. pref.	6	6.03	99½	98	98	98	140	100	95
Can. Woollens, com.	.	...	..	...	...	...	...	10	6
Do. pref.	.	...	60	60	60	60	5	63½	60
Cosmos Imp., com.	.	...	24½	23¼	24	23	1744	26¼	18
Do. pref.	7	7.21	97	96¼	96½	96¼	55	98¼	91¼
Dom. Textile, com.	5	4.16	120	116¼	118½	118	3248	120¾	105
Do. pref.	7	5.83	..	...	...	...	...	121	117
Monarch Knitting, com.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	50	50	50	49½	5	54	49
Montreal Cottons, com.	6	5.12	..	...	...	...	...	117	110
Do. pref.	7	5.98	117	117	117	117	40	118	115
Penmans, com., new	4	5.12	79	78	78	78½	572	79	75½
Do. pref.	6	5.88	102	102	102	101	1	105	101
Wabasso Cotton	6	6.78	88½	88	88	92½	140	116	84
Do., Rights	.	...	..	...	...	...	...	17	10
General Industrials—									
Amer. Sales, c. (par $20)	4	6.25	65	64	64	64	36	75	62
Do. pref.	7	7.00	101	99½	100	100	157	101	97½
Do. Rights	.	...	..	...	...	...	...	6	3
Asbestos Corp., com.	.	...	21¾	21	21	21	1464	24¾	20¾
Do. pref.	7	8.06	87	86	86½	86¼	1092	88½	82¾
Brant. Cord. pf. (par $25)	8	8.51	23½	23	23	23	572	25	21
Building Products, pref.	7	7.36	95	95	95	97	5	97	93¼
Burt, F. N., c. (par $25)	$3	5.04	60¼	59½	59½	60	170	65¼	56¼
Do. pref.	7	...	..	...	...	...	...	x210¼	210¼
Canada Cement, com.	6	4.11	147	144	146	142¼	2938	147	124½
Do. pref.	7	5.90	119	118⅝	118⅝	119½	195	121¼	116
C. Ind. Alc. (no par)	$1.28	4.41	29¾	28½	28½	29	9313	30¼	21¼
Canadian Oil, com.	5	3.37	148	148	148	146½	48	150	99
Do. pref.	8	6.78	118	118	118	118	12	120¼	115¼
Do. (new)	.	...	24¾	24¾	24¾	24⅞	265	24¾	24½
Crow's Nest Coal	6	9.30	64¼	64¼	64½	63	77	66¼	63
Dom. Glass, com.	7	5.80	121¼	118¼	119	121	685	123¾	104
Do. pref.	7	6.19	113½	113	113½	113	20	114½	111¼
Dom. Rubber, pref.	7	...	..	...	...	...	...	x87½	80
East Theat., c. (par $25)	.	...	..	...	...	...	...	30	24
Do. pref.	7	7.36	95	95	95	95	10	95	92½
Famous Players, com.	.	...	28	27	28	30	5	30	20
Do. pref.	8	8.24	98	96	97½	96	98	101	93¾
Gilman, com.	6	5.35	112	112	112	...	10	112	112
Do. pref.	7	6.14	114	114	114	114¼	10	125	110
Goodyear Tire, pref.	7	6.98	100½	100	100½	99½	879	109	94½
Holt, Renfrew, com.	.	...	..	...	...	...	...	43	43
Do. pref.	7	7.77	..	...	...	...	...	92	85
Hunts, Ltd., com. (no par)	.	...	23	23	23	22½	95	23	20
Do. pref.	.	...	..	...	...	...	...	95	92¾

	Div. Rate	Yield May 9	High for wk.	Low for wk.	Close May 10	Close May 3	Sales for wk.	Range, 1927 High	Range, 1927 Low
King Edward Hotel	$1	...	48½	42	45	48	22	60	20
Laura Secord, com.	.	...	28	27	27	28½	65	31	27
Do. pref.	7	6.73	104	103½	103⅞	104	59	104	102
Lyall Construction	.	...	41	36½	41	44	200	45¾	35¾
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	7	6.82	..	...	...	...	...	105	96½
Nat. Brew., c. (par $25)	4	5.75	70	69½	69⅞	69½	2370	71¾	65
Do. pref.	7	6.54	107	107	107	107½	20	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	10.60	66	66	66	68	5	81	65
Pacific Burt, com.	6	6.52	..	...	...	...	...	92	87
Do. pref.	7	6.54	107¼	107	107¼	107	23	108	102
Port Hope Sanitary, com.	3	2.30	..	...	...	...	...	130	125
Do. pref.	7	6.54	..	...	...	...	...	107	90
Rogers, Wm., com.	.	...	79½	79½	79½	79½	50	80	64
Do. pref.	7	7.03	..	...	...	...	...	100	92
Seagram (no par)	.	...	26	25	25½	25½	17097	27¾	15
Sher-Williams, com.	6	4.00	..	...	...	...	...	155½	142
Do. pref.	7	5.93	119	118	119	118	30	120½	117
Standard Chem., pref.	.	...	..	...	...	...	...	15	15
Sterling Coal	4	...	..	...	...	...	...	36	30
Tooke Bros., com.	.	...	..	...	...	...	...	x8	8
Do. pref.	7	8.64	81	81	81	81	7	89	80
Tuckett Tobacco, com.	4	5.40	75	73	75	71	315	75	69
Do. pref.	7	6.66	105	105	105	104	10	106¼	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	8.64	81	81	81	81	35	89	80
Trust and Loan—									
Can. Landed (par $50)	10+1	5.50	100	100	100	99¾	12	100½	94
Can. Permanent	12	5.42	221	219	221	219	19	221	216⅛
Colonial Invest.	6	...	6	6	6	6	7	7	6
Huron & Erie	7+½	5.28	..	...	...	...	...	142	139
Landed Banking	9	5.23	172	172	172	170	1	172	161
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	52¾	50
National Trust	12	4.74	253	253	253	252	4	255	232
Ontario Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	6.66	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	5.00	240	240	240	240	3	240	220
Toronto Mtge. (par $50)	10+1	5.34	..	...	...	...	...	103	100
Union Trust	7	6.36	..	...	...	...	...	110	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	7	...	..	...	...	...	...	98¾	98
Attendu Engine (par $1)	.	...	18	16½	16½	18	415	35½	14
B.C. Oilfields	.	...	2	2	2	2	100	2¾	2
Beacon Oil	.	...	16⅞	16¼	16⅞	17	310	20¾	15¾
Belding, com.	6	8.21	73	71	73	73½	30	88	70
Do. pref.	7	7.00	..	...	...	...	...	100	100
Brit. Amer. Oil	80c	3.00	28	25½	26	28	12180	28	20
Comm. Alcohol	.	...	60	60	60	60	4	60	49½
Brew. & Distil. (par $5)	.	...	5	4⅞	5	5	200	5¼	4½
Can. Brewing	.	...	27½	27	27	27	1710	30¼	23
Can. Nor. Pr., c. (no par)	.	...	51	51	51	51	2	52	42
Do. pref.	7	7.14	98	98	98	98½	13	99½	98
Cockshutt, pref.	4	5.00	81½	78½	80	77	579	82	70
Continental Oil	$1	...	18½	18½	18½	17¾	20	22¼	17¾
Cosgrave Brew. (par $10)	5	7.46	6⅞	6¾	6¾	6½	610	8	6
Cooksville Shale Brick, c.	.	...	13	13	13	12½	6	12¼	10¾
Do. pref.	4	7.40	54	54	54	52⅛	1	54	50½
Can. Light & Pr.	.	...	55	31	50	30	1606	55	20¼
Dom. Engineering	8	4.49	180	178	178	175	52	180	135
Dom. Power, pref.	7	6.96	..	...	...	...	...	101	100½
Dryden Power (no par)	.	...	13½	13	13½	13¾	65	15½	11
Eastern Dairies (no par)	.	...	25½	25	25½	25	170	27½	20⅝
Do. pref.	7	...	..	...	...	...	...	96½	94
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	16	15
Do. pref.	.	...	95	92½	92½	84½	37	95	72½
Good. & Worts (no par)	$1	1.75	57¾	57¼	57¼	58	1185	64	43¼
Hayes Wheels, com.	.	...	29	27¾	29	28	383	29¾	27¾
Do. pref.	.	...	94	94	94	95½	35	96	94
Hiram Walker	.	...	48½	47	48	48¼	12255	49½	28½
Illinois Power, pref.	7	...	..	...	...	...	...	100½	98
Imperial Oil	$1+12½	2.54	45	43¾	44	44¾	6153	47	37¾
Imp. Tobacco, c. (no par)	6	...	7⅛	7	7⅛	7	400	7⅛	6¾
Inter. Petroleum	75c	2.50	30½	30	30	30	1688	35¼	30
Mitchell, J. S.	.	...	29⅛	29⅛	29⅛	29¾	20	29¾	29⅛
Manitoba Power (no par)	.	...	..	...	...	...	...	58½	50
McColl, com. (no par)	80c	2.16	38	36½	37¾	36⅞	1833	40¼	22½
Do. pref.	7	6.14	114	112	114	111½	95	116½	100
Mount Royal, com.	.	...	4	4	4	4	2	6	4
Do. pref.	6	...	52½	52½	52½	53	10	55½	51½
North Star Oil, com.	.	...	..	...	...	...	...	2.55	1.15
Do. pref.	7	...	..	...	...	...	...	5.01	4.90
N.S. Car, com.	.	...	..	...	...	...	...	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	20	20	20	20	2	25	18¾
Do. pref.	7	...	..	...	...	...	...	48⅝	47
Ottawa Riv. Pr. (no par)	.	...	25	25	25	26	50	26	25
Paton Mfg., com. (no par)	.	...	56	56	56	59¾	20	60	52
Do. pref.	.	...	98	98	98	98	5	100	98
Power Corp., c. (no par)	.	...	37	35½	36¼	37	1787	37½	27¼
Do. pref.	6	6.25	96	95	95	96	47	97½	94
Port Alfred, pref.	7	7.33	95½	95½	95½	97½	25	97½	95
Que. South. Pr. (no par)	.	...	..	...	...	...	...	28½	25
St. Maur. Power	.	...	150	120	130	125½	1798	150	96
St. Maur. Valley, com.	.	...	55	54	54	54	250	57½	47
Simpson, Robt., pref.	6	5.88	..	...	...	...	...	102	100½
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	41	41	41	44½	10	54	39¾
Do. pref.	8	7.54	..	...	...	...	...	108	104
Standard Clay	.	...	..	...	...	...	...	40	38
Tram. Script	.	...	..	...	...	...	...	10	9¼
Toronto Dairy	.	...	..	...	...	...	...	90½	90½
Toronto R. S.	.	...	..	...	...	...	...	1.50	1.50
United Secs., com.	.	...	70½	54¼	64	50	960	70½	43½
Do. pref.	6	5.72	105	104¾	105	105	107	105¼	103½
Volcanic Oil	63c	...	47¼	45	46	46	271	47¼	36
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7¾	6¼
Wolthausen	.	...	23	22¼	23	22	205	23	20
Wallace Sand	.	...	2½	2¼	2¼	3	175	3	2¼

xQuotations for 1926. No sales recorded in 1927 to date.

Over $80,000,000 of new money has been invested—largely in industrial enterprises—in Manitoba in the past five years, and this, during a period that cannot correctly be described as outstanding in the matter of industrial development," said A. W. McLimont, president of the Winnipeg Electric Company.

We take pleasure in announcing that
Mr. Fred H. Lytle
is now associated with this firm.
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Members Toronto Stock Exchange
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Toronto Montreal Ottawa Winnipeg Saskatoon Vancouver
9

Pulp & Paper

NEWSPRINT MILLS FINALLY MERGE SALES COMPANIES

Almost Half Canadian Production Now Sold Through Single Channel

From Our Own Correspondent.

MONTREAL.—As was first indicated exclusively in The Financial Post, the G. H. Mead Company, the Canadian Export Paper Company and the St. Maurice Sales Company have merged and have consolidated their operations in one new company known as the Canadian Newsprint Company with head offices in Montreal.

The new company, which has a capitalization of $5,000,000 in preferred shares and 10,000 common shares of no par value, will handle the sales of the following mills: Laurentide Company, Price Brothers and Company, Port Alfred Pulp and Paper Corporation, St. Maurice Valley Corporation and its subsidiaries, St. Anne Paper Company, Spanish River Pulp and Paper Mills, Fort William Paper Company, Abitibi Power & Paper Company, Manitoba Paper Company and the Anglo-Canadian Pulp and Paper Mills.

From this it will be seen that the new company will handle a daily output of something over 5,000 tons of newsprint paper. One of the aims of the new sales organization will be the energetic broadening of the market for Canadian newsprint in overseas markets. Through the merger of sales effort it is certain that a reduced cost of selling, savings by shipping from the mills best favored geographically, and a better service to the publishers, will be brought about.

The directors of the new company will be George Chahoon, Jr., Sir Herbert S. Holt, George H. Mead, Alexander Smith, John H. Price, J. H. Gundy, G. H. Montgomery, Frank W. Clarke, W. N. Hurlbut. The officials of the company will consist of W. N. Hurlbut, president; E. L. Crooker, vice-pres.; T. T. Walker, vice-pres.; Frank B. Common, sec.

Will Improve Position

The new sales arrangements which have thus been provided should tend to strengthen the position of the newsprint companies involved. It is thought that the newsprint machines which have been longest in operation will be given the first chance at the available business.

With the present hesitancy in the newsprint market and before the consolidation of sales efforts under the new Canadian Newsprint Company, it was thought that there was a possibility of some of the new machines being put into operation before the market had widened sufficiently to absorb the increasing output of the mills. For the future, the new machines will come into operation as the market for newsprint strengthens and thus the possibility of drastic cuts in the price of newsprint will, to a partial extent, be eliminated.

With the newsprint market in its present condition there will naturally always remain the possibility of price cutting by some of the producers; nevertheless, the new sales merger will strengthen the industry and will, at least, tend to stabilize both output and prices, despite the fact that the new sales company controls only about half of the total Canadian output.

It is thought that the shares of the Canadian Newsprint Company will be distributed pro rata amongst the various mills, each mill obtaining shares on a pro rata basis according to its rated daily output.

Work Commences Soon on Celanese Addition

From Our Own Correspondent.

MONTREAL.—Ground will shortly be broken for the acetate plant of the Canadian Celanese at Drummondville, P. Q. When this section of the undertaking is completed next autumn, the plant will be in a position to manufacture and supply Celanese yarns from its own factory.

Dealing with the progress which has been made in the company's weaving department, the current issue of "Investments," published by Nesbitt Thomson and Company, says in part:

"Inside the manufacturing buildings, the erection of machinery is proceeding satisfactorily. The weaving machines are almost entirely set up, already a number of looms being in operation, and the new rapid warp knitting machines will be producing in the near future. The spinning machines will be completed by the fall and it is confidently expected that by the end of the year the weaving plants will be turning out fabric from yarns wholly manufactured at Drummondville.

MOVE UNDER WAY TO POPULARIZE HEMLOCK

Favorable Results Will Step Up Production Several Million Dollars

From Our Own Correspondent.

VANCOUVER.—Prospects are good for British Columbia's wealth in timber resources being stepped up several million dollars within the coming year as a result of a campaign about to be launched to convince the construction world that Pacific Coast hemlock is "different."

Until recently all hemlock has been held in low regard because of the established reputation for brittleness. Fir, cedar and spruce have all commanded better prices, even on the most unreceptive markets, than has western hemlock.

Beginning in May the West Coast Lumber Trade Extension Bureau in which a number of big British Columbia mills are members, will begin a campaign of national advertising to rescue western hemlock from its invidious position and establish it as a high-class structural and finishing material. Scientific data will be advanced to show that western hemlock is a distinct species with qualities altogether superior to those of its eastern namesake.

Investigate Merits of Hemlock

Recently a group of New York borough construction engineers, sent west to investigate the merits of this new timber seeking a place in Atlantic construction, visited Vancouver and Seattle where stress and strain tests were made for their benefit in forest products laboratories. Before departing for New York, members of the group admitted that the results of their investigation had been edifying and that they had revised their opinion of western hemlock. They were satisfied, they said, that hemlock could be used for all construction purposes in which soft wood timbers were specified.

Demand for British Columbia hemlock this year, lumbermen say, has been unexpectedly good, although, as a whole, the timber market has been bad.

At present, British Columbia douglas fir is waging a battle for markets with Gulf States pitch pine and the fir is winning out on quality and price. As a demonstration of that fact, the past year has seen British Columbia douglas fir cut pitch pine sales in Jamaica by one-third and at present rate of increase should have control of about 75 per cent. of the Jamaican market for softwoods. It is now a probability that western hemlock will enter the battle for markets on its own account and, selling even lower than fir, render southern states competition even more difficult.

Abitibi's Mill Again Makes Production Record

From Our Own Correspondent.

MONTREAL.—Abitibi Power & Paper Company seems to be one of the few newsprint organizations which has not been affected by the weakness in the market for its product. Moreover, the company's paper makers at Iroquois Falls, Ontario, are steadily continuing to create new production records.

The month of April was the best month, from a production standpoint, which the Abitibi mill has yet experienced. The average daily output for the month was 541.5 tons per day, more than 6 tons better than the previous record of 534.9 tons.

During one week towards the latter part of the month, mill had an average daily production of 548 tons. From the shareholders' angle all this is satisfactory. The rated capacity of the mill is but 500 tons; this indicates that despite the hesitancy in the newsprint market, Abitibi has been able to secure a satisfactory market for its output.

New Mill at Chelsea Now Sells Production

From Our Own Correspondent.

MONTREAL.—The largest newsprint machine in the world has commenced operating at the Gatineau mill of the Canadian International Paper Company and it is now producing paper on a commercial basis. The machine produces a sheet of paper 256 inches in width and is designed to operate at a speed of 1,200 feet a minute. Ultimately, the mill will have four such machines in operation, giving it a total capacity of 600 tons a day. In addition to operating the largest paper machine in the world, the company operates the largest mill in the world. This is the Three Rivers newsprint mill which has a capacity of 700 tons daily.

In the Gatineau mill, all the steam is generated by electricity, but as the Ontario Hydro Electric Power Commission commences to purchase power from the company, it will be necessary to generate steam in the plant from coal.

Book Reviews

BUSINESS CYCLES

Desire to eliminate guess work in modern industrial practices and business, has brought about an enormous development in research work into the causes of variations in the fluctuation of trade. The findings have invariably evolved themselves into statistical summaries, accompanied by elaborate charts, which to the layman present a jumble of figures, lines and curves which have to be translated by an expert before they are of the slightest value to him in his business.

We find that the greatest progress along these lines has been made in the United States, where it has reached a point of importance that would be unbelievable ten years ago. We know that good work has been and is being done by statisticians in recording the movement of certain fundamental business indices either by statistical tables or charts, which are essential to the prosperity of certain industries. Unfortunately statistical information is presented in such a way that it is unintelligible to the great mass of business men and it is to this class that such information would be valuable. To overcome this drawback, it seems apparent that the time has come when the leaders in this field of business research should meet and devise distinctive types of charts which should not only be clear to the president of the million-dollar corporation, but also to the small general merchant out-of-touch with every-day business happenings.

Work of Great Merit

In Business Cycles and Business Measurements, Carl Snyder has presented a work of unusual distinction. The author has brought together a mass of information in respect to trade and productive activity in the United States over a period of many years, which is the result of many years' work and has prepared therefrom a series of charts showing the fluctuations of basic industries, to show just what is the current position of industry and trade with reference to that persistent and never-ending growth which, as the author has been at pains to show, is one of the fundamentals of American business.

In view of the similarity of economic conditions between the United States and Canada, many of the author's deductions and charts apply with equal force to Canadian industry. The first part of the book is given over to illustrating the growth of certain factors and the reason therefor. In the final summary, Mr. Snyder points out that no method of forecasting business cycles with absolute certainty has been devised. Some of the methods currently in use have been helpful and as he says "within reasonable limits we can now understand what is happening, and what has happened, and we can estimate roughly what is going to happen. Much can be done towards the intelligent understanding that should eventually lead to control of the business cycle."

To students of business conditions this book is to be highly commended, while, in less measure, it should prove valuable to the layman in giving him an excellent background of the trend and growth of industry in the United States. The book is published by Macmillan's, at a price of $7.00.

Board of Trade Continues Fight on Water Deal

From Our Own Correspondent.

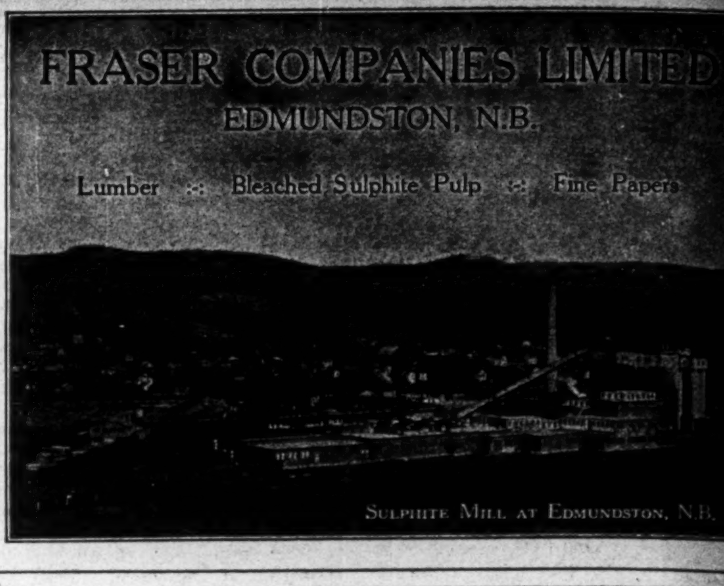
MONTREAL.—The Montreal Board of Trade is determined to do its utmost to annul the purchase of the Montreal Water and Power Company by the city of Montreal.

The Board of Trade has issued a statement in which it says that the action taken in the name of the board will be proceeded with to the court of last resort, which obviously means that, if necessary, proceedings will not cease until the matter comes up before the Privy Council for decision.

In the meantime, the city has acquired the property and the price is to be determined by arbitration. The city has appointed its arbitrator, one J. Emile Vanier, and the Montreal Water and Power interests, with whom is associated Senator Lorne C. Webster, has appointed Charles E. Fraser, head of the Fraser Brace Engineering Company; these two have named Hon. Wallace Nesbitt, K.C., as the third and last arbitrator.

The Western Canning Corporation, of Vancouver, having acquired the canning plant of Graham's Limited, at Berwick, intend to evaporate and can apples this coming autumn, and fruit and vegetables next year.

The Winnipeg Grain Exchange purposes erecting a 500 watt output broadcasting station at Yorkton this summer, at a cost of about $25,000. The license has been secured and the call will be "CJCW."



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Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint
Head Office:
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PORT ALFRED PULP & PAPER CORPORATION
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Bryce & Co., Ltd., Winnipeg and Vancouver
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H. P. Surrey, Shanghai, China.
EXPORT REPRESENTATIVES
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L. C. Carrick, Cape Town, South Africa.
Hugh Scott-Young, Melbourne, Australia.
Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutliffe, London, Eng.

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Pulp and Paper Mills Power Developments

"COTTONS" YEAR ONE OF TROUBLE; NET UNCHANGED

Income Fractionally Lower, But Earnings on Common Up a Little

From Our Own Correspondent.

MONTREAL.—While some reduction in the operating profits of the Canadian Cottons for the fiscal year ending March 31 was anticipated, the annual report showed that the reduction was only of a fractional character and that net earnings after all charges were equal to the satisfactory profits which were obtained in the preceding year.

The satisfactory results which the company achieved during the year are revealed in the following comparison of income account and working capital figures over the past three years:

	1926-27 $	1925-26 $	1924-25 $
Oper. profit	529,237	550,058	525,889
Int. on invest.	92,467	92,622	93,841
Rentals	....	....	13,342
Total income	621,705	642,680	614,111
Bond interest	148,324	154,924	157,079
Bad debts	8,680	23,697	17,674
Net income	464,700	464,059	439,358
Pfd. divs.	219,690	219,690	219,690
Balance	245,010	244,369	219,668
Com. divs.	217,240	217,240	217,240
Surplus	27,770	27,129	2,428
Prev. surp.	2,709,793	2,682,664	2,680,236
P. & L. bal.	2,737,563	2,709,793	1,682,664
P.C. on com.	9.00	8.99	8.08
The working capital position—			
Curr. assets	5,988,123	5,465,315	5,113,144
Curr. liabs.	1,337,315	1,402,449	1,453,279
Net work. cap.	4,650,808	4,062,866	3,659,865

There are several changes in the balance sheet, the more important of which are clearly revealed in the betterment in the company's already strong liquid position. Total assets are up over $260,000; and this, despite a reduction in the fixed assets of $239,876.

In the liabilities, the bonds outstanding have been reduced by almost $50,000 and the reserve for depreciation shows its usual annual increase of $350,000; this account now stands at $1,750,000. The surplus account shows the increase noted in the foregoing income account figures.

Remarks of the President

That business conditions for the company during the year under review were not the best is seen in the remarks of Charles R. Hosmer, the president, who said in part:

"Cotton manufacturing conditions for the year just closed were made difficult through a price war that prevailed for many months among the mills in the United States, resulting in financial embarrassment to some and severe depletion of the reserves of other organizations.

"To keep your mills in operation, these unwarranted prices had to be met, which meant that many staple lines had to be marketed at or below cost. Conditions in this respect improved during the last quarter of your financial year, and this, together with the fact that raw material was obtainable at reasonable prices, permits the presentation of figures which, it is hoped, will be found satisfactory.

"The depreciation in values of raw materials and finished goods, it will be noted, is reflected in a material reduction in inventory.

"Little can be said as to conditions facing your company during the coming year. It is quite evident that the keenest kind of competition will continue, both from England and the United States, and it has been noticed of late that Germany, Italy, Belgium and Czecho-Slovakia are making determined efforts to obtain a foothold in this market. The situation can only be met by keeping the plants in a high state of efficiency, and by practising the strictest economy in every department of the business."

United Securities Soon Will Make Bond Issue

From Our Own Correspondent.

MONTREAL.—Following the annual general meeting of the shareholders of the United Securities on May 16 next, the shareholders will be asked to authorize a $20,000,000 issue of collateral trust bonds. It is understood that, after the shareholders have authorized the issue of bonds, the company will issue some $2,000,000 or $3,000,000 in bonds to take care of its loans to subsidiary companies. It is understood that at the present time these loans have been made with funds obtained through bank loans.

The fixed assets of the United Securities consist of securities of its subsidiary companies. The chief subsidiaries, of course, are Montreal Tramways and the Canadian Light, Heat and Power Co.

In the fixed assets also there is an item of some $4,000,000 which covers the sale of the Quebec-New England Hydro Electric Corporation to the Montreal Light, Heat and Power Consolidated. Montreal "Power" purchased this property from the United Securities; the payment consists of an annual sum of $400,000 for the next thirty years.

Figures never lie— They misinform

THE value of statistics depends entirely upon their accurate interpretation. Taken by themselves, they are of little use to the average man in judging investment values.

As they are interpreted by Moody's and considered with other comprehensive information at our command they become a valuable aid in detecting financial weakness and serve as a reliable guide for safe investment.

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Making Your Will

A Notable Series of Discussions on Estate Building, Wills, Succession Duties, Etc.

Third Article: TRUSTS IN WILLS.

By RALPH C. GEDDES.

There exists a good deal of misunderstanding in regard to the advisability of setting up trusts in wills, and until these mistaken ideas are corrected a great many wills are not going to be properly made. Prejudices, arising out of conclusions drawn from false premises, or based merely on hearsay, are largely responsible, and they are as unsafe a guide in this respect as in any other course of action.

Because a man may know or have heard of some case in which some beneficiary under a trust has been deprived of certain rights which obviously should have been granted, he condemns the whole principle of trusts. He does not stop to make sure that his information is correct; and he does not stop to consider that, if it is true, it is the terms of the trust that are at fault, and that the blame, therefore, rests on the man who set them, and not on the trust itself or upon the trustee who is bound by these terms.

Harm in Absence of Trust

He also overlooks the possibility of the greater harm that might have resulted in the absence of any trust to the very beneficiary whom he quotes as an example to justify his opinion. It will be very unusual if for every instance he can give of a trust working an actual hardship, he cannot recall many more from his own experience where they have proved of the greatest benefit, both because they were needed and because their terms were just and well-considered. While this in itself may not be an argument in favor of trusts with regard to his own estate, it is at least an extremely good reason for giving this matter his most careful consideration when having his will drawn.

If a testator is married, the beneficiary whom he naturally connects with the idea of a trust is his wife, but any discussion of the subject from this point of view applies equally to all other beneficiaries. He should ask himself this question, "Am I certain that my wife is as capable of handling my affairs as I am, and will she always avoid anything in the nature of a speculation with the assets left in her care?"

No Time for Speculation

He must bear in mind that after his death the time for speculation with his estate is past. The risks attendant on it are too great to be taken, when the only means of repairing a serious loss of capital is by further speculation or by the most rigid economy. This may have been all very well in his lifetime when his earning power was always a stand-by in reserve, but it will not do for those of his dependents to whom his estate must be the reserve.

If he must answer this question in the negative—and it is important and requires an honest answer—he should create a trust of sufficient of his capital at least to assure both the necessities and comforts for his wife. Protection in such a case is not carried far enough by simply leaving a lump sum at her absolute disposal, especially in these days when the care of it and the investment of it presents

A trust settlement is better for most women than a large sum in cash.

so many pitfalls and difficulties. Where there are minor children as well the need is ever so much greater.

If he can answer the question in the affirmative, the need for creating a trust fund of all or part of the capital is not so great; but it still exists. Probably the combined judgments of himself and his wife at present make an excellent team, in earning, in saving, in investing and even in speculating. But with his judgment no longer available, his wife may be neither so careful nor so self-reliant. Also, what assurance has either he or his wife that at any time following his death the effects of some illness may not render her less shrewd and less prudent? Even if it only makes her impatient of sound advice on her investments or her expenditures, the safety of the reserve is endangered.

Consequently, what particular hardship is it on any widow to place the capital which is left for her protection under the care of a trustee to watch over the investments which you have made during your lifetime and which may be retained as part of the capital, and to invest wisely whatever cash there is for investment? If the trust is set up in the proper terms, she will not be restricted to living on the income only, for the capital can be drawn upon according to whatever conditions you may attach to the trust. Provided these terms are made sufficiently elastic, as they should be, she will get as much benefit from the capital in this manner as though she had the absolute ownership of it. It will yield as high a return as she would get from it, probably a better, and it will be safe. It will be kept secure not only from the onslaughts of the high-pressure salesmen of doubtful securities, but also from the importunities of relatives or friends whose requests for loans or assistance are both embarrassing and difficult to refuse.

Provide for Contingencies

Granted that the terms of the trust provide for the proper encroachments to be made, the trust fund will then be able to perform its proper function—to save capital when it is not required for the well-being of beneficiary, and to use it to the full when the occasion demands it. This power to encroach may be as wide or as narrow as the testator wishes. A reasonable one will provide for contingencies that can be foreseen, with a further power to the trustee to exercise a discretion in others that may arise.

The next article in this series will deal with some particular forms of trusts in wills.

"Million Box City"

KELOWNA, B.C.—This city is now broadcasting the slogan "Million Box City," as it shipped more than a million boxes of fruit last season. Kelowna Canneries, during the same period handled 8,456 tons tomatoes, 87 tons beans, 158 tons pumpkin, 118 tons cherries, 29 tons plums and prunes, 648 tons apples, 19 tons crab apples, 26 tons apricots; total 9,540 tons.

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Money invested in our Accumulative Bonds earns more than if invested in Coupon Bonds because the interest is COMPOUNDED half-yearly. This means that the investor receives interest on each half-yearly instalment of interest at the same rate as is allowed on the principal. At present these Bonds are being issued bearing the attractive rate of

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$390.60 invested in a "CANADA PERMANENT" ACCUMULATIVE BOND now will increase in five years to $500.

A pamphlet giving full information regarding these Bonds will be gladly sent on request.

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107

BARCELONA CO. IS REVIVED AS PAYER ON COMMON STOCK

Traction, Power Co., Looks to Prosperous Future With Spain Peaceful

Announcement of a dividend on the common stock of Barcelona Traction was the feature of the annual meeting of the company held in Toronto, May 9th. A dividend on the common carries with it an increase in the dividend on the preferred stock, the preferred being a participating stock. The preferred stock on which 7 per cent. has been paid will get 8 per cent. for this year and the common stock, $50 par value, will be on the basis of 50 cents the share.

Shareholders were given to understand that, while the earnings of the company are continuing at a satisfactory rate, the dividend on the common to be paid June 30th is in the nature of an interim payment and it is not necessarily establishing a 1 per cent. rate for the common or an 8 per cent. rate for the preferred.

Recent appreciation in the market value of the shares of this company has supported the rumor that something better was in store for the shareholders, although it was not certain that the dividend on the common stock would be forthcoming so soon. The payment amounts to $369,739 increase in dividends to the shareholders on a total capitalization of $36,973,900.

The annual report of the company, first published two weeks ago, shows remarkable increases in earnings since the war. The chairman at the annual meeting said that the improvement continues and it was expected that there would continue to be a betterment in the exchange rate, which affects the earnings of the company materially. He pointed to a number of public betterments being planned and built in the territory served by the company. These, he said, were certain to react to the benefit of the company.

The company has made considerable progress in converting the 7 per cent. income bonds, issued in 1921, into 6 per cent. bonds. The holders of these bonds, mostly residents of Spain, were being paid a bonus of 27½ pesetas per bond, and the total costs of the conversion to the company was about 40 pesetas per bond. The holders were profiting by the exchange because the company had the right to redeem these bonds. The proceeds were used in the course of the last several years for construction and similar purposes.

In presenting the names of the two directors for re-election, Avern Pardoe said that the management was to be congratulated on bringing the company to the position where a dividend on the common stock was an actuality. The company had passed through a period of some vicissitudes, and he thought it only right that he should express the satisfaction of the shareholders now that they were going to receive a dividend on the common stock. It was a happy denouement to a troublesome period.

Mr. Lash said that the directors certainly appreciated the remarks made by Mr. Pardoe, who has always proven himself a very good friend and supporter of the company.

The retiring Board of Directors was then declared re-elected without change, and, at a subsequent meeting of the Board, the following officers were appointed to another term: H. Malcolm Hubbard, chairman; F. Fraser Lawton, president; R. C. Brown, vice-president; Miller Lash, vice-president; and R. H. Merry, secretary.

Western Grocers Will Benefit With Retailers

At the annual meeting of Western Grocers, Ltd., held in Winnipeg, president W. P. Riley said that the earnings for 1927 to date are perceptibly better than the corresponding period in 1926, and that the outlook of the company is favorable.

Mr. Riley explained the relation of the company under the new co-operative scheme by which retailers are linked in a chain store organization to be known as the Red & White Chain. In explaining the idea, after emphasizing that the plan did not entail the investment of the company's funds in retail stores, he said, in part:

"The Company acts as buying agents for the retailers, supplies them with all their grocery requirements, effects many savings in operating expenses, advises and works with the retailer as to the line of goods handled and sold, giving of special prices, and works with the retailer in every way possible for the betterment of their business, as well as the betterment of our own.

"Since launching this plan, we have found the retailers most enthusiastic. We find the retailers eager to join a movement that promises mutual advantages, and the organization of different units where the Company has branch houses is going forward as rapidly as possible. It is probable that neither the retailer nor the Company will see as much benefit from the plan during the present year as they will next year and thereafter. However, it is anticipated that additional volume will result to both the retailer and your Company."

Stewart, McNair & Co., members of the Toronto Stock Exchange, announce that Fred H. Lytle is now associated with their firm.

Mr. Lytle was formerly president of the wholesale grocery house of T. A. Lytle & Company, Toronto.

Foundries and Forgings Again Pays Dividends

From Our Own Correspondent.

MONTREAL.—The anticipated resumption of the preferred dividends of the Canada Foundries and Forgings has been announced. A dividend of 2 per cent. on the arrears has been declared.

At Dec. 31, 1926, the accumulated arrears on the $960,000 of 7 per cent. cumulative preferred stock amounted to about 41½ per cent., no dividends having been paid since the early part of 1921.

The company's earnings have been improving in the last two years and 1926 was the best year since 1919, with preferred dividend earned by a margin of over 2 per cent. on the common stock.

The issue has recently been buoyant on the stock market, advancing to 87½, as compared with a range of 45 to 70 last year.

Great West Permanent Loan Lost $155,000 in Past Year

Great West Permanent Loan Company lost $155,098 in 1926 and wrote down its reserve funds.

During the past year, the financial statement showed, the directors examined all holdings of the company and had written off large amounts. Reserve, which a year ago was given in two items, reserve and contingent reserve, together tatalling more than $800,000, is now $110,664. Mortgages on real estate are given at $2,835,584, compared with $3,814,255 in the 1925 statement. Total assets are given at $5,437,520, compared with $6,269,934 shown in the last annual report. In the liability column, debentures are given at $2,768,064, compared with a previous $2,761,877.

Loss for the year, after deductions for taxes and management expenses, etc., was given at $155,098, leaving a reserve fund of $110,664.

INTERNATIONAL PAPER COMPANY

New York, March 30, 1927.

The Board of Directors have declared a quarterly dividend of Fifty Cents (50c.) a share on the Common Stock of this Company, payable May 16th, 1927, to Common stockholders of record at the close of business May 2nd, 1927.

Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD,
Vice-President and Treasurer.

DEBENTURES FOR SALE

CITY OF PRINCE RUPERT
BRITISH COLUMBIA

$85,797.05—5% Debentures

Sealed tenders addressed to the undersigned and endorsed "Tenders for Debentures," will be received by the undersigned up to 5 p.m., Monday, May 30th, 1927, for the purchase of the following debentures:

$50,797.05 Consolidated Local Improvements.
$35,000.00 General Debentures.

Both issues dated January 2nd, 1927, and issued on the serial plan—one to ten years.

Principal and half yearly interest payable principal cities in Canada and New York, U.S.A.

Bonds may be registered as to principal.

D. J. MATHESON,
City Treasurer.

Imperial Oil, Limited

DIVIDEND

Notice is hereby given that a dividend of twenty-five cents (25c) per share and a special disbursement of twelve and one-half cents (12½c) per share have been declared by the Directors of Imperial Oil, Limited. The same will be payable in respect of shares specified in any Share Warrant of the Company within three days after the Coupon Serial Number TEN (10) of such Share Warrant has been presented and delivered to:

The Royal Bank of Canada,
Toronto, Ontario,

or at the office of:

Imperial Oil, Limited,
56 Church Street,
Toronto, Ontario,

such presentation and delivery to be made on or after the

1st day of June, 1927.

Payment to shareholders of record at the close of business on the 14th day of May, 1927 (and whose shares are represented by Share Certificates) will be made on or after the 1st day of June, 1927.

The books of the Company for the transfer of shares will be closed from the close of business on the 14th day of May, 1927, to the close of business on the 31st day of May, 1927.

By Order of the Board.

T. C. McCOBB,
Secretary.

56 Church Street, Toronto, Ontario.

LOBLAW GROCETERIAS CO. LIMITED

Notice is hereby given that quarterly dividends of 1¾%, being at the rate of 7% per annum, on the prior preference shares of the Company, and 25c per share on the common shares of the Company have been declared, payable on June 1st, 1927, to shareholders of record at the close of business on May 18th, 1927. The transfer books will be closed from May 19th, 1927, to May 31st, 1927, both days inclusive.

D. URQUHART,
Secretary.

Toronto, May 11, 1927.

English Electric Company of Canada, Limited

Notice of Dividend

Notice is hereby given that a payment of 4 per cent. on account of arrears on the preferred shares of this company has been declared payable on May 31st, 1927, to shareholders of record, at the close of business, May 20th, 1927.

By Order of the Board.

J. H. PHIPPEN,
Secretary.

THE CANADIAN BANK OF COMMERCE

Dividend No. 161

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1927, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st June next.

The Transfer Books of the Bank will be closed from the 17th May to 31st May next, both days inclusive.

By Order of the Board,

S. H. LOGAN,
General Manager.

Toronto, 14th April, 1927.

Lake of the Woods Milling Company, Limited

DIVIDEND NOTICES

Notice is hereby given that a Dividend of 1¾ per cent. on the Preferred Stock of Lake of the Woods Milling Company, Limited, for the three months ending May 31, 1927, has been declared payable on Wednesday, June 1, 1927, to shareholders of record at the close of business on Saturday, May 21, 1927.

By order of the board.

M. H. HUTCHISON,
Secretary.

Notice is hereby given that a dividend of three per cent. on the Common Stock of Lake of the Woods Milling Company, Limited, for the three months ending May 31, 1927, has been declared payable on Wednesday, June 1, 1927, to shareholders of record at the close of business on Saturday, May 21, 1927.

By order of the board.

M. H. HUTCHISON,
Secretary.

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Toronto

PROVINCE OF QUEBEC

$4,000,000 5½% Bonds, due 1st December, 1936

NOTICE OF REDEMPTION

NOTICE is hereby given that the PROVINCE OF QUEBEC has elected to exercise its option to redeem, and that it will redeem, on the first day of June, 1927, all of the $4,000,000 5½% Province of Quebec Bonds, issued under the authority of 10 George V. Chapter 3, and dated 1st December, 1921, to mature 1st December, 1936, but subject to redemption at any time after five years from date of issue, at par and accrued interest, and that, on the first day of June, 1927, there will become and be due and payable upon each of the bonds aforesaid, at any of the places at which the same are expressed to be payable, 100% of the principal amount thereof, together with accrued interest, and that from and after such date interest thereon will cease to accrue and all coupons for interest maturing after such date shall be null and void.

On presentation and surrender of the aforesaid bonds in accordance with this notice, at the offices of the Bank of Montreal in Quebec, Montreal or Toronto, with all appurtenant coupons maturing after such redemption date, the bonds shall be paid at the redemption price aforesaid.

Such payment of the sum payable for the principal on each bond, upon redemption thereof, shall be made to the bearer of such bond unless it shall then be registered, in which case such payment shall be made to the registered owner.

(Sgd.) JACOB NICOL,
Provincial Treasurer.

Quebec, 14th April, 1927.

The Royal Bank of Canada

Tenders will be received by the undersigned for the whole or any portion of approximately seven thousand (7,000) shares of the par value of $100 each of the new stock of The Royal Bank of Canada issued on the 11th December, 1926, pursuant to a resolution passed by the Board of Directors on that date.

The shares comprise the unaccepted allotments and the fractions which, under the provisions of the Bank Act, were not allotted.

The stock will rank for dividend from date of payment. Interim receipts will be issued, which may be exchanged for regular stock certificates on and after 1st September, 1927.

Tenders must state the price per share offered and be accompanied by a certified cheque for ten per cent. of the amount. In case a tender is accepted, the balance will be payable on allotment.

Tenders will be received up to 3 p.m. on Tuesday, the 31st day of May, 1927, and must be marked "Tender for Stock," and addressed "The General Manager, The Royal Bank of Canada, Montreal."

The bank does not bind itself to accept the highest or any tender.

By order of the Board,

C. E. NEILL,
General Manager.

Montreal, 6th May, 1927.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST day of JUNE next, to Shareholders of record of 30th April, 1927.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 19th April, 1927.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

East Kootenay Power Co. Limited

Dividend No. 13

A DIVIDEND of One and three-quarter per cent (1¾%) on the PREFERRED STOCK of EAST KOOTENAY POWER COMPANY LIMITED has been declared for the quarter ending May 31st, 1927, payable June 15th, 1927, to shareholders of record May 31st 1927.

By order of the Board.

L. C. HASKELL, Secretary.

April 22nd, 1927.

WAYAGAMACK PULP & PAPER COMPANY LIMITED

Dividend No. 9

Notice is hereby given that a Dividend of Seventy-five cents (75c) per share has been declared on the No Par Value Common Stock of the Company, for the quarter ending May 31st, 1927, payable June 1, 1927, to Shareholders of record at the close of business on May 16, 1927.

By order of the Board,

D. L. ADAMS,
Secretary-Treasurer.

Montreal, Que., April 21, 1927.

DIVIDEND NOTICE

NO. 80

Imperial Royalties Company announces that the regular Monthly Dividend of one and one-half per cent. (1½%) will be payable on May 31st to shareholders of record of May 25th.

This is Monthly Dividend No. 80, making a total of one hundred and forty and one-half per cent. (140½%) paid to shareholders since organization in April, 1920.

IMPERIAL ROYALTIES COMPANY

By J. E. Horn

K. H. Kompfe & Co. Limited

Toronto and London, Ontario

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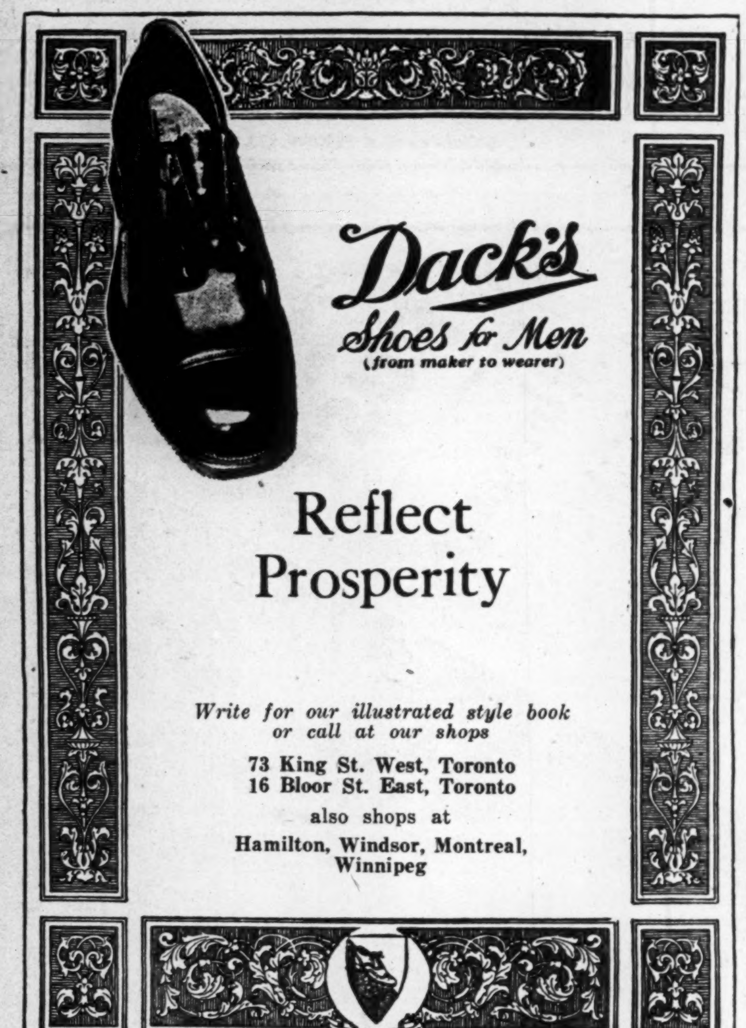


Return of the Chartered Banks of the Dominion of Canada, March 31st, 1927

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Gov'nm'ts	Demand Deposits in Canada	Notice Deposits in Canada	Deposits elsewhere	Bal. due. to other banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	41,716,598	14,704,756	....	4,278,685	151,593,747	394,441,876	87,555,906	2,787,729	1,227,616	6,261,393	590,834
Nova Scotia	14,349,482	1,062,413	....	889,207	28,541,375	122,977,823	32,787,881	2,202,139	115,855	1,599,962	525,930
Toronto	7,259,173	230,556	1,500,000	638,177	28,029,487	58,055,165	....	1,869,500	183,635	3,055,671	1,010,667
Provinciale	4,013,053	124,412	....	266,371	5,161,282	33,193,456	....	....	....	21,847	....
Commerce	25,983,070	3,182,022	8,000,000	4,029,062	108,922,958	227,449,238	39,421,218	654,388	1,622,516	9,346,215	758,282
Royal	35,565,998	1,954,994	....	6,753,988	132,127,325	285,805,040	178,943,305	1,450,100	1,409,268	18,638,628	4,762,664
Dominion	7,067,982	567,592	1,000,000	819,999	24,882,720	64,045,076	2,533,551	2,482,173	253,124	1,108,284	166,287
Standard	5,950,740	218,383	2,000,000	417,538	19,755,356	51,355,721	....	1,936,429	178,649	1,717,694	....
Nationale	11,896,274	717,477	....	1,120,926	20,650,033	87,770,755	1,360,531	619	153,545	594,358	....
Imperial	9,348,303	897,511	....	3,494,629	29,124,029	68,820,217	....	657,323	537,159	267,414	....
Weyburn Security	656,682	69,076	....	24,642	2,358,453	2,885,740	....	....	....	24,010	....
Total	163,807,355	23,729,192	12,500,000	22,733,224	551,146,765	1,396,800,107	342,602,392	14,040,400	5,681,367	42,635,476	7,814,664

NAME OF BANK	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes held	Greatest amount notes in circ.
	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	11,237,599	924,314	23,652	29,916,700	29,916,700	777,178,110	31,175,000	12	982,281	29,528,552	49,610,991	43,379,991
Nova Scotia	6,460,191	189,514	403,600	19,500,000	10,000,000	241,605,378	15,000,000	16	3,162,134	9,270,154	6,737,709	14,868,542
Toronto	1,698,203	174,457	3,854	7,000,000	5,000,000	115,708,550	10,000,000	12	2,503,611	415,957	3,601,488	7,866,035
Provinciale	11,150	52,541	8,967	1,500,000	4,000,000	48,353,080	5,000,000	9	....	188,702	454,344	4,104,203
Commerce	13,563,504	....	22,512	20,000,000	20,000,000	482,954,989	25,000,000	12	5,359,109	18,259,000	15,272,000	27,180,795
Royal	35,950,253	40,666	47,178	28,375,220	28,375,220	760,199,855	40,000,000	12	2,576,156	10,731,233	10,750,721	37,183,229
Dominion	2,397,109	636,054	181,281	7,000,000	6,000,000	121,141,237	10,000,000	12	458,140	2,127,000	4,295,000	7,362,202
Standard	386,929	152,906	1,787	2,900,000	4,823,400	91,795,537	5,000,000	12	112,705	481,981	2,722,112	6,172,760
Nationale	933,826	....	6,615	5,500,000	5,500,000	136,204,964	10,000,000	10	595,875	850,386	3,706,257	12,210,684
Imperial	674,194	....	1,267	7,500,000	7,000,000	128,322,050	10,000,000	12	168,000	1,017,977	4,569,040	10,021,088
Weyburn Security	....	....	700	225,000	524,560	6,768,866	1,000,000	5	113,514	26,119	41,771	675,097
Total	73,312,958	2,170,452	701,413	129,416,920	121,139,880	2,910,232,616	162,175,000	.....	16,031,525	72,897,061	101,761,433	171,024,626

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stocks	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal**	31,432,156	49,014,839	3,019,685	642,835	21,800,354	97,307	20,086,443	88,631,122	28,047,934	3,716,914	14,720,101	158,678,278
Nova Scotia	9,229,555	7,352,535	830,378	2,130,581	8,307,413	....	3,221,553	27,477,189	11,104,844	14,023,733	23,841,368	10,137,823
Toronto	439,037	4,012,242	416,985	76,594	6,046,610	....	2,406,423	17,399,868	2,998,973	4,127,707	9,317,343	....
Provinciale	204,223	319,347	498,875	62,151	1,463,304	2,866,799	228,511	6,912,994	2,173,628	4,659,716	7,849,897	....
Commerce	11,203,287	12,680,672	1,761,705	1,095,929	14,183,544	2,160	17,499,165	48,863,220	28,164,064	10,138,681	26,341,424	28,166,598
Royal†	10,959,940	18,379,786	3,111,789	16,667,998	28,581,454	....	24,191,461	65,549,473	27,942,470	19,239,124	29,877,101	70,583,248
Dominion	2,145,432	4,417,645	713,025	167,337	5,761,039	18	1,653,493	15,103,142	4,434,873	2,409,000	8,925,758	3,544,565
Standard	501,916	3,475,074	431,235	66,633	5,969,027	....	653,128	9,883,517	2,968,644	3,284,971	14,506,400	....
Nationale*	961,740	4,088,317	1,197,495	175,184	4,261,948	1,275,484	1,086,157	22,870,573	10,117,460	1,596,204	6,928,188	....
Imperial	1,057,162	5,507,168	728,903	164,252	6,216,416	781,327	2,176,828	14,820,636	9,763,575	60,505	11,049,624	6,000,000
Weyburn Security	26,081	37,677	34,995	2,426	27,511	1,555,674	60,624	1,043,618	9,314	264,741	....	500,000
Total	68,160,529	109,285,302	12,745,070	21,251,920	102,618,620	6,578,769	73,163,786	318,555,352	127,725,779	63,521,296	153,357,204	277,610,512

NAME OF BANK	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal**	238,751,327	54,112,059	22,801,736	2,171,251	738,663	1,068,561	11,800,000	11,237,599	1,420,787	16,000,000	2,210,330	491,491	782,691,784
Nova Scotia	78,175,236	21,131,966	5,406,462	559,067	40,105	95,624	7,069,160	6,460,191	491,582	5,750,000	....	150,452	242,986,828
Toronto	58,905,578	....	2,403,097	135,692	....	194,617	3,347,105	1,698,203	256,775	3,055,866	....	....	117,238,725
Provinciale	16,123,832	....	1,803,430	141,912	490,000	291,764	1,851,222	11,150	158,400	400,000	....	205,986	48,717,151
Commerce	189,294,049	33,404,828	18,969,865	2,299,661	2,187,160	1,107,725	11,758,220	13,563,504	1,000,000	11,000,000	1,711,349	303,221	486,700,043
Royal†	198,254,857	171,717,663	8,052,670	2,533,887	1,945,090	1,419,520	14,532,336	35,950,253	1,245,000	10,000,000	2,467,677	505,374	763,608,182
Dominion	59,594,607	1,544,397	815,934	248,951	42,645	37,231	5,712,224	2,397,109	316,975	2,000,000	....	253,316	122,238,725
Standard	41,724,534	....	1,916,175	464,510	315,243	256,690	3,712,303	386,929	250,000	1,700,000	....	89,639	92,556,575
Nationale*	58,385,703	872,023	7,349,488	192,311	1,231,710	949,553	5,511,462	933,826	281,035	7,000,000	....	323,732	137,589,603
Imperial	53,531,872	....	7,171,491	413,278	495,392	666,846	5,084,248	674,194	335,221	3,514,466	....	379,537	130,592,952
Weyburn Security	2,246,685	....	5,663	43,169	177,903	144,460	256,087	....	27,532	300,000	....	68,894	6,833,061
Total	994,988,280	282,782,936	76,696,011	9,203,689	7,663,911	6,232,591	70,684,367	73,312,958	5,783,307	60,720,332	6,389,356	2,771,642	2,931,758,629

**Of this deposit, $24,670,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement. Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank of Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

*The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, APRIL 30, 1927.

DOMINION TEXTILE POSITION STRONG

Report Shows Increased Earnings and Position Again Strengthened — Situation Surrounding This Favorite Investment Stock Reviewed

From Our Own Correspondent.

MONTREAL. — Another year of progress and success is revealed in the annual report of the Dominion Textile Company for the fiscal year ending March 31, 1927. The total income was the highest experienced since 1919, a year of inflation.

A comparison of income account figures and working capital figures over the past three years follows:

	—Year ended March 31— 1927	1926	1925
Op. inc.	$1,825,208	$1,707,344	$1,684,900
Int. on inv.	276,692	197,965	263,759
Total inc.	2,101,985	1,905,309	1,948,668
Bond int.	310,320	310,320	637,812
Net inc.	1,791,665	1,594,989	1,310,856
Pfd. divs.	135,842	135,842	135,842
Balance	1,655,823	1,459,147	1,175,014
Com. divids.	1,125,000	1,125,000	900,000
Year's surp.	530,823	334,147	275,014
Prev. surp.	5,999,164	5,665,017	5,390,003
P. & L. bal.	$6,529,987	5,999,164	5,656,017
Earned per com. share	$7.36	$6.48	$5.22

Working Capital Position

	—March 31— 1927 $	1926 $	1925 $
C. assets	10,189,093	10,526,860	9,698,681
C. liabs.	1,499,267	1,342,490	1,190,456
Net W. C.	8,689,826	9,184,370	8,508,225

Balance Sheet Changes

In view of the strong liquid position of the company, the changes in the balance sheet which resulted in a decline of nearly $500,000 in the working capital position may be regarded as negligible.

In the balance sheet, property account shows an increase of over $1,000,000 and investment account has increased from $3,671,856 to $4,511,299.

The total sales for the year were lower, due to the decline in prices which followed the lower cost of raw cotton, but this was offset partly by an increase in the physical volume of the business done. Referring to this, Sir Charles Gordon, the president, says in his remarks to the shareholders that the sales for the year amounted to $20,392,708 as compared with $21,718,269 last year. A decrease in sales was due to the lower cost of raw cotton, which, he said, enabled the company to reduce the average sales value of its output approximately 17 per cent. This reduction in price was partly overcome by an increase of 9.9 per cent. in the yardage and weight of the goods sold.

Strengthens Its Position

Even before the split-up if its stock early in 1923, this split having been preceded by an issue of stock to shareholders at par on a basis which created very valuable rights late in 1922, Dominion Textile never showed earnings which could have been termed spectacular.

In the present balance sheet, those who have faith in the future of the company, will have that faith strengthened; for instance, in the 1927 report it is noted that a change has been made in the method of carrying investments. In the 1926 report there was a single item of $3,671,855 representing investments. This year the property account (land, buildings, machinery and investments) shows an increase of upwards of a million dollars, despite the liberal depreciation policy of the company. For the first time the property account includes fixed investments which, in the preceding statement, were shown under the general head of "investments." Despite this change, investments which are designated in the report as "liquid," plus call loans, are shown at $4,511,298, or nearly a million dollars more than total investments last year.

Attract Many Investors

The shares of the Dominion Textile Company have of late attracted a good deal of investment interest due to the steady appreciation in the price of the stock, caused, no doubt, by the anticipated increase in the dividend rate. There are many points to attract investors to the shares of Dominion Textiles.

The estates of widows and orphans, especially those managed by trust companies, probably show the soundest and sanest investment policy that it is possible to pursue. Yet, if an analysis of all the larger estates in Montreal and Toronto were made, it would be found that one common stock, and in a tariff protected industry at that, was listed in practically all. The common stock is, of course, Dominion Textile.

An endorsement of the judgment of the managers of these estates comes from another conservative investment source —the Sun Life Insurance Company— whose holdings are valued at $2,404,610, fourth in size of all its investments in common stock. Yet this company—the Dominion Textile—operates under adverse conditions of demand, distance from its raw materials, and intense foreign competition.

Has Much Competition

Obviously the expert advisers of our largest life insurance company, and of these widows and orphans, must have weighed well the factors which contribute to stability of investment value before allowing such a stock to retain its favored place. For this reason, if for no other, a survey of the causes which have contributed to the success of the Dominion Textile Company common as an investment stock offering both yield, stability and capital appreciation, has points of interest to every investor who values such sound essentials of investment success.

The textile industry in Canada operates under a tariff, which has frequently been deemed insufficient to meet the direct competition with the products of Lancashire, New England and the Cotton States. On the one hand it has to meet the high class goods of the English mills, manufactured under conditions of high efficiency and low labor costs, and on the other it faces a competitor blessed with an immense home market and raw materials almost at its door.

These handicaps have been sufficient to curtail the profitable operation of all but a handful of companies in the industry. Of these, Dominion Textile is undoubtedly the leader.

Dividends Have Increased

From its inception in January, 1905, when the company was formed to acquire the common stock of the Dominion Cotton Mills, the Merchants Cotton Co., the Montmorency Cotton Mfg. Co., and the Colonial Bleaching and Printing Co., the history of the Dominion Textile Co. has been one of practically continuous success. The properties and assets of the Dominion Cotton Mills, valued at $3,083,600, which had at first been held and operated on a 21 year lease, were subsequently acquired. In September, 1919, the Mount Royal Spinning Company, with a capital of $2,375,250, was added to the existing mills, only a million and a half of 6 per cent., 30-year bonds being issued to complete payment on this important addition.

The year following this the dividend, which had risen from 5 per cent. in the years 1907 to 1912 to 8 per cent. in 1918, was increased to 10 per cent. And after a further rise in July, 1920, to 12 per cent., it was decided to adopt the current practice of replacing its $7,500,000 of $100 par stock by no par value common, of which 225,000 shares were issued on a basis of 3 to 1.

A 600 Per Cent. Rise

The original $100 common of Dominion Textile was listed on the Montreal Stock Exchange in 1907, the year which also witnessed the listing of Shawinigan, Penmans and Smelters. Its lowest quotation was 89¾ in 1910, rising to 203 in 1922. In 1923, with the change in its capital structure to the present financial set-up of $2,500,000—7 per cent. cumulative preferred and 225,000 no par value common stock it registered a low for the new shares, which sell to-day around 117, of 61½. On the basis of the old stock, this would give to-day's quotation a value of 351—a rise of nearly 600 per cent. in 17 years.

Not until 1919 did the real potential earning power commence to reveal itself and uninterrupted improvement has been in evidence in every subsequent year and has given no signs of a let-up. The earnings of the company have steadily increased from $4.13 per share in 1924 to $7.36 in the past year.

One of the most important factors in commending this stock to investors is the strong financial situation the company has maintained, most particularly its liquid position. The net working capital position has been strengthened from year to year. When it is recalled that this account stood at $2,202,923 in 1917, the growth of the financial strength in the intervening years can be realized. Total assets amount to $30,408,407, and have been gradually built up from $18,557,413 in 1917. The company has been steadily building up a large surplus which reached $6,529,987 this year, and it is interesting to know that this has grown from $1,444,167 in 1917. Funded debt has been reduced from $9,000,000 in 1922 to $5,172,000.

Due to the Management

The explanation of the outstanding success of the company, in spite of the restrictive influences which beset it, may be summed up in one word—management.

It is the excellence of the management of Dominion Textile which has ensured a diversity of products from its 12,000 looms. Shrewd buying of its cotton has more than equalized the disadvantage of distance from its source of supply, which normally should have operated in favor of its competitors to the south. It is well known that the company is generally on the right side of the cotton market and has had consistently more success in buying than its American competitors. In New England, where the textile business is dying on its feet of senile decay, mill after mill are closing their doors, while here in Canada the Dominion Textile Company is continuing to meet the successes which have characterized its past.

Company's Physical Position

The current monthly market letter published by Johnston and Ward has the following to say regarding the company:

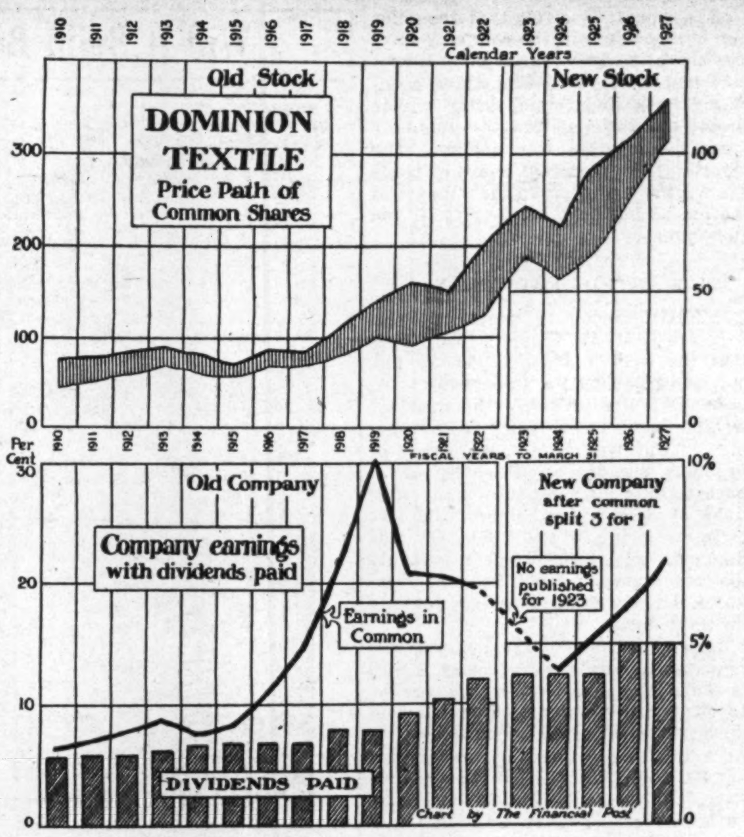
"The Dominion Textile Company is the largest cotton textile manufacturing organization in Canada with seven large plants, the most of them located in Quebec province. These are equipped with 500,000 cotton spindles. During the past few years the old-time looms have been replaced by automatic equipment so that the entire equipment of the company is up-to-date. The raw cotton is purchased through a subsidiary company operating in the Southern States. The mills produce an unusually wide range of grey, bleached, printed and fancy cottons and yarns. In the face of keen competition from the United States and Europe the company has an outstanding advantage in that 75 per cent. of its market lies with the manufacturers of fabrics, such as oilcloth mills, makers of blinds, bags, etc., as well as various kinds of clothing. The output, too, is not as susceptible to changes in fashions as in the case of some other textile mills, and thus the fluctuations in its business with the trade are less marked.

Output Will Be Large

"The company has steadily improved its financial position through a conservative dividend policy, while year by year it is adding to its equipment. It is significant to note that the year 1927 will prove to have been the largest in point of quantity output in the company's history, although a sharp drop in raw cotton prices and a resulting decline in values of the company's output cut down the aggregate value of the 1926-27 production. Working practically to capacity for months past the company has found it unnecessary to shift to the silk business as have a number of other cotton mills, and the present outlook is that Dominion Textile Company will continue to limit itself to cotton fabrics.

"The earnings of the company over a period of years show a steady progress. The output in 1926 of $21,718,269 was more than double that of the year 1916, although high prices in 1920 and 1921 resulted in a higher value to the output than in the year 1926 or in the present year. During the past ten years the statements show 185.73 per cent. as earned on the common stock with dividend disbursements of 94.50 per cent., leaving a surplus after dividends to put back into the property of over 91 per cent.

Dominion Textiles capitalization consists of $5,172,000 in 6 per cent. bonds, due 1949; $1,940,600 in 7 per cent., cumulative preferred, and 225,000 shares of no par value common stock. The common shares are carried on the balance sheet at $15,000,000. The $5 dividend disbursement on the common was initiated in April, 1925.



Toronto General Opens Branch in Montreal

Horace W. Johnston has been appointed manager of the Saskatoon branch of the Toronto General Trusts Corporation, succeeding F. G. Lewin, who retires from that position after sixteen years of service. Mr. Johnston joined the Corporation at Toronto, in 1903, being transferred to Winnipeg branch, 1913, where he served as accountant and later as secretary, acquiring a very thorough knowledge of the manifold problems of a trust and loan business.

Rod. V. Real, who has been accountant in the Saskatoon office for many years, has been promoted to the post of secretary. The staff has also been increased and the Saskatoon branch is now equipped to handle in a satisfactory manner, any business of a fiduciary character entrusted to it.

To further extend the scope of its service, the corporation announce the establishment of a branch office in the Yorkshire Building, 136 St. James St., Montreal, to open on or about May 1st, for the transaction of a general trust business.

J. H. A. Byers, senior estates officer at head office, has been appointed manager of the new branch. Mr. Byers, who joined the Toronto office in 1902, has occupied various positions of trust and responsibility. Mr. Cable B. Clark has been appointed assistant to Mr. Byers, in the capacity of trust officer.

Say Fraser Quarter Was Substantially Improved

Earnings of Fraser Companies for the first quarter of the current year are said to show a substantial increase over the corresponding 1926 figures. Net operating profits for the three months ended March 31, 1927, are reported to have been equivalent to approximately 4½ times bond interest, and after all fixed charges, including depreciation, to more than 5 times prefered dividend requirements.

The improved showing is attributed largely to increasing profits shown by the Madawaska sulphite paper mill of the company's subsidiary, Fraser Paper, which commenced operation at the beginning of last year.

Four New Units Added To Pure Food Stores Chain

Four new Pure Food stores have been opened in Ottawa this month and the fifth is expected to be operating by the beginning of June. At the end of last year, the company had 37 service and self-serve grocery stores in the city of Montreal, which has since been increased to 38, so that there are now 42 units in operation. This total will be further increased by additions in Montreal in the next month or two.

During 1926, the company showed net profits of $58,668 and had outstanding as at December 31, $150,000 of first preference stock, with an annual dividend requirement of $10,500. The balance sheet showed net tangible assets on this stock in excess of $200 per share, of which over $110 consisted of current assets. In view of the improved operating conditions in the cities of Montreal and Ottawa, officials of the company look for a substantial increase in earnings during 1927.

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ANNUAL REPORT

For the Year Ended March 31st, 1927

ASSETS

Land, Buildings, Machinery and Investments (Less Depreciation)		$20,219,313.21
Raw Cotton	$1,101,588.08	
Stock Mfd. and in Process	1,058,500.33	
Supplies	319,985.89	
Cash and Bills Receivable	810,613.11	
Open Accounts	2,252,013.66	
Insurance	135,094.33	
Investments (Liquid) and Call Loans	4,511,298.58	
TOTAL LIQUID ASSETS	$10,189,093.98	10,189,093.98
		$30,408,407.19

LIABILITIES

Capital—Common Stock (authorized and issued, 225,000 shares of no par value)	$15,000,000.00	
" —Preferred Stock	1,940,600.00	
Bonds	5,172,000.00	
		$22,112,600.00
Deposits	$ 118,498.52	
Open Accounts (including Reserve for Income Tax)	1,038,448.14	
Allowance—Wages	282,500.00	
" —Interest on Bonds	25,860.00	
" —Dividend, Pref. Stock	33,960.50	
TOTAL LIQUID LIABILITIES	$1,499,267.16	1,499,267.16
Reserves (Bad and Doubtful Debts, etc.)		266,552.43
Profit and Loss Account		6,529,987.60
		$30,408,407.19

C. B. GORDON, *President.*
F. G. DANIELS, *Director.*

AUDITORS' CERTIFICATE

We certify that we have audited the financial books and records of the DOMINION TEXTILE COMPANY, LIMITED, for the year ended March 31st, 1927, and that we have obtained all the information and explanations required by us.

In our opinion the above Balance Sheet and Relative Profit and Loss Statement are properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company.

(Signed) P. S. ROSS & SONS, Chartered Accountants, Auditors.

Montreal, April 30th, 1927.

DIRECTORS' REPORT

To the Shareholders:

Your Directors submit herewith the Balance Sheet and Profit and Loss Account for the year ended 31st March, 1927, certified by your Auditors.

Sales for the year amounted to $20,392,708.12, compared with $21,718,269.01 last year. The decrease in sales was due to the lower cost of Raw Cotton, which enabled us to reduce the average sale value of goods approximately 17%. This reduction was partly overcome by an increase of 9.9% in the yardage and weight of goods sold.

The gross manufacturing profit was $1,825,293.70, Interest on Investments $276,692.17, and after paying Interest on Bonds and Dividends on Preferred and Common Stock, the Surplus, amounting to $530,823.87, was placed to the credit of Profit and Loss Account.

The eleven manufacturing and converting plants have been fully maintained as usual and are in exceptionally good condition.

We have much pleasure in commending the efficiency of the Staff and the loyalty and diligence of the Employees.

All the Directors retire from office to-day, and are all eligible for re-election.

Respectfully submitted,

C. B. GORDON,
President.

PROFIT AND LOST ACCOUNT

For Twelve Months Ended 31st March, 1927

March 31st, 1927—		March 31st, 1926—	
Interest on Bonds	$ 310,320.00	Balance at Credit	$5,999,163.73
Dividend—Preferred Stock	135,842.00	March 31st, 1927—	
" —Common Stock	1,125,000.00	Manufacturing Profit	1,825,293.70
Balance at Credit	6,529,987.60	Interest on Investments	276,692.17
	$8,101,149.60		$8,101,149.60

Audited and Verified,
P. S. ROSS & SONS,
Chartered Accountants.
Montreal, April 30th, 1927.

C. B. GORDON, F. G. DANIELS } Directors

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TORONTO MAY 13, 1927

AN EXPENSIVE FARCE

HOW much longer can we afford to maintain a government-owned merchant marine at a cost of several millions of dollars a year? Canada's adventure in ocean shipping has proven a sorry investment, that has cost us well over $100,000,000. Year by year, the deficits roll up; the improvement as time goes on is small. The Canadian Government Merchant Marine should be wound up, the boats sold, and the drain on the taxpayer stopped.

When the annual report, for the twelve months ended December 31 last, was presented, much was made of the fact that the accounts showed "a continued and most satisfactory improvement in operating results," the operating loss being only $90,000 as against $948,000 in 1925 and $1,440,000 in 1924. But after depreciation and interest had been provided for, the small deficit of $90,000 was found to be an actual burden on the taxpayers of Canada of $6,690,000.

The year's deficit brought the total debit balance to $45,500,000, equal to no less than $150 per ton deadweight on the tonnage owned at the end of the year.

Fairplay, the foremost shipping journal of the world, published in Great Britain, states that the accounts of the C. G. M. M. are misleading. It shows that the actual deficit should be shown at $112,700,000. It states that the whole thing is more or less of a farce. Even the reduction in operating losses is due to the sale or loss of boats.

"Under private management," declares Fairplay, "the company would have been wound up long ago but, as with the United States shipping board, it is of concern to somebody that the ships should be run, and they will no doubt continue to do so as long as the taxpayer is willing to foot the bill. It adds:

"If the ships stood in the books at nothing and there was no borrowed money, there would, judging from the experience of the last seven years, be a debit balance to be provided for at the end of each year, while, if the boats were sold at their market value, there would be something for the taxpayer; whereas, if the company is carried on much longer, there will be nothing left."

It will no doubt come as a shock to many Canadian business men to learn that our merchant marine has cost us $112,700,000 or something like $14,000,000 per annum. In the face of such facts, it is even more surprising that the government has in recent months actually added new services to the C. G. M. M. instead of setting out to wind up this burlesque show of the seven seas.

MASSEY AND BUSINESS

CANADA now has committed itself to the handling of its own diplomatic relations with the United States through its own legation at Washington. An extensive investment has been made to enable the work to be handled in a manner befitting the dignity of this nation. Under the circumstances, all good Canadians should cooperate to make the legation as valuable as possible in a practical way for Canada. Criticism of the abstract principle involved in the establishment of such a legation is far removed from present verities. Some suggestions regarding the organization of the work may, however, be of value.

Business men are inclined to feel some disappointment that the legation has not been better organized to handle business problems coming up daily and requiring constant attention. The legation staff, consisting largely of Oxford men, is better versed in the theory of economics than in the practice of business. As the legation staff is enlarged and further appointments are made it is to be hoped that Mr. Massey will see fit to add men with a knowledge of business problems gained from actual contact. No man on the embassy staff has ever, for any length of time, been actively engaged in the handling of industrial, commercial or financial operations.

Mr. Massey should not hesitate to make his legation a clearing house for publicity concerning Canada and its opportunities. In this respect the publicity departments of Canada's two railway systems should be the inspiration, rather than the diplomatic traditions of reticence associated with most embassies.

In Mr. Massey, Canada has a minister to the United States who is entering into his new work with very much of an open mind. This is a happy circumstance. No doubt Mr. Massey seeks constructive suggestions from any quarter for making his work more effective for Canada. Business men should urge such measures as will make the legation directly effective in promoting Canadian business in the United States.

LIBRARY EXTENSION

CITIZENS of the towns and cities of Canada that are well equipped with public libraries may be disappointed to learn that there are only 570 public libraries in Canada. These libraries have 3,000,000 volumes or one for every three people in Canada. Last year 11,000,000 volumes were issued or only one and a third per capita.

Eighty-six per cent. of Saskatchewan's population has no public library accommodation. Even in thickly settled Ontario 40 per cent. of the people have no such accommodation.

Most of those without libraries live on farms but there are half a million Canadians living in towns and cities who have no public libraries.

Canada spends less than 20 cents per head on public libraries.

When the American Library Association meets in Toronto in June, under the presidency of Dr. George H. Locke, librarian of the city of Toronto, library expansion work will be under consideration. Any practical plans evolved for extending library service should receive public support. Libraries are part of a nation's educational facilities.

PAPERS TO BAN

CANADA is being flooded with tipster publications from the United States.

The post office department at Ottawa has felt called upon from time to time to ban United States and other publications, so as to preserve the morals of the people of the country.

The Financial Post respectfully submits that the department might well consider banning these tipster sheets from the mails to protect the dollars of the people of the country.

The publications referred to are what are commonly called "sucker sheets." Wall Street "Iconoclast" and "Financialistic Debater" are the two outstanding examples.

Both give tips on mine propositions. Canadians are not in need of tips on United States mines. Canada's mines offer Canadians real speculative opportunities, in which they will get a run for their money. It is in the interests of Canadian mining and the Canadian people that these papers be banned.

ON GUARD IN MONTREAL

ASSOCIATIONS of business men have proved their value often; the good work which is being carried out by organizations of this kind is so well known as to hardly require any amplification.

But the work which the Board of Trade of Montreal is at present prosecuting is of especial significance, for not only is the board endeavoring to safeguard the interests of Montreal business men, but it is also acting on behalf of a class who are but poorly represented by their municipal government, namely, the general public of the city of Montreal.

Recently, interests associated with Senator Lorne C. Webster sold the Montreal Water and Power Company to the city of Montreal at a price of $14,000,000. This figure gave Senator Webster and his friends a $4,000,000 profit in a three or four months' period.

Naturally, a storm of protest arose over the transaction and finally it was agreed that the city acquire the property at a price to be named by arbitration. Three arbitrators have been appointed: one by the city, one by the Lorne Webster's interests, and a third has been appointed by the two named by the city and the company.

The figure of $14,000,000 is generally regarded as being more than excessive. But, the city council of Montreal is apparently quite satisfied with the $14,000,000 price. Thus, it may be this figure will be acceptable also to the two arbitrators who are acting for the buyer and the seller. Thus, the public of Montreal generally believe that the board of arbitration is something of a farce as both the purchaser and the seller seem to be well satisfied with what the public regards as a ridiculous figure.

Here is where the board of trade steps in and endeavors to safeguard the interests of the citizens generally. The board has taken action in the courts to annul the deal and proposes, if necessary, to take its case to the highest court. The work which the board is undertaking deserves the hearty co-operation, not only of the citizens and business men of Montreal, but also of financial interests and investment interests throughout the Dominion.

Deals such as Senator Webster and his associates endeavored to consummate result in giving big business nothing but a bad name in the general public mind. Furthermore, it has already resulted in giving Canada another black eye in British investment circles, where, it is felt that the original stockholders in the company have lost a profit which was rightly theirs.

It will be recalled that those associated with Senator Webster within recent months acquired the company from the original stockholders. The efforts of the Montreal board of trade are worthy and deserve the support of the entire business community of the Dominion.

WANTED—FAIR PLAY

IN THIS period of great business activity, it is thought provoking that the woollen textile industry has not benefitted by the improved conditions. We are probably the greatest woollen users individually of any people in the world. Consumption of products manufactured wholly or in part from wool runs into many millions of dollars per annum, the last estimate being $71,000,000. Of this amount, only $37,900,000 represents manufactures of this country, imports, largely from England, making up the balance.

Representatives of the industry are now petitioning the Advisory Board on Tariff for a revision of the woollen tariff, which will enable domestic producers to meet foreign competition on an equal basis. They are not asking for the abolition of the British preference. At present English manufacturers have a preference in the Canadian market over Canadian manufacturers in many lines. It is requested that the tariff be adjusted so as to give the industry a fighting chance to secure a fair share of the home market.

A typical example of the effect of this competition is to be seen in one Ontario town of 5,000 population. In this town of thirty diversified industries, twenty-nine are running full time and in a good prosperous condition; the remaining one is the woollen mill, which is struggling along in the hope of a favorable turn of existing conditions. Moreover, in recent years, three large woollen mills in the county of Waterloo have gone out of business through this unfair competition.

The tariff readjustments asked by the Canadian manufacturers are not unreasonable and they should be given every consideration when their case is brought before the Advisory Board.

BADLY NEEDED FACTS

THE United States department of the census has blazed a new trail in undertaking what will be called a distribution census of the United States. A modest beginning has been made in a census of all the retail stores of one typical, large city, Baltimore. This is being followed up by similar studies of eleven other cities, preliminary to the undertaking of a complete census of distribution in the country.

Through the work of our own Bureau of Statistics, we in Canada have most complete and authoritative information on all phases of productive activity. We know just what our farms produce each year and what the farmers get for their output. We know the exact yearly output of scores of thousands of manufactured articles. We know the output of our mines, our forests, our fisheries. But we know practically nothing about the volume of retail sales in the country as a whole or in any particular community. We do not know what percentage of trade is done by independent stores, by chain stores or by mail order houses.

Lacking information of this and similar character we can only arrive at conjectures regarding the position of chain stores, mail order houses, etc. We can only guess at the general efficiency of the average retailer. We only know by hearsay when the volume of sales of one commodity or another is increasing or reducing.

The attention of the business men of the continent is now focussed upon the all important problem of reducing the cost of marketing the goods that are now produced at almost unbelievably low costs of production. But business to-day is built upon facts and the facts about distribution are not available in complete form. Ottawa may well study closely what the United States is doing and begin shortly to provide business with some of the facts and data needed to make intelligent sales planning, and informed cost cutting possible.

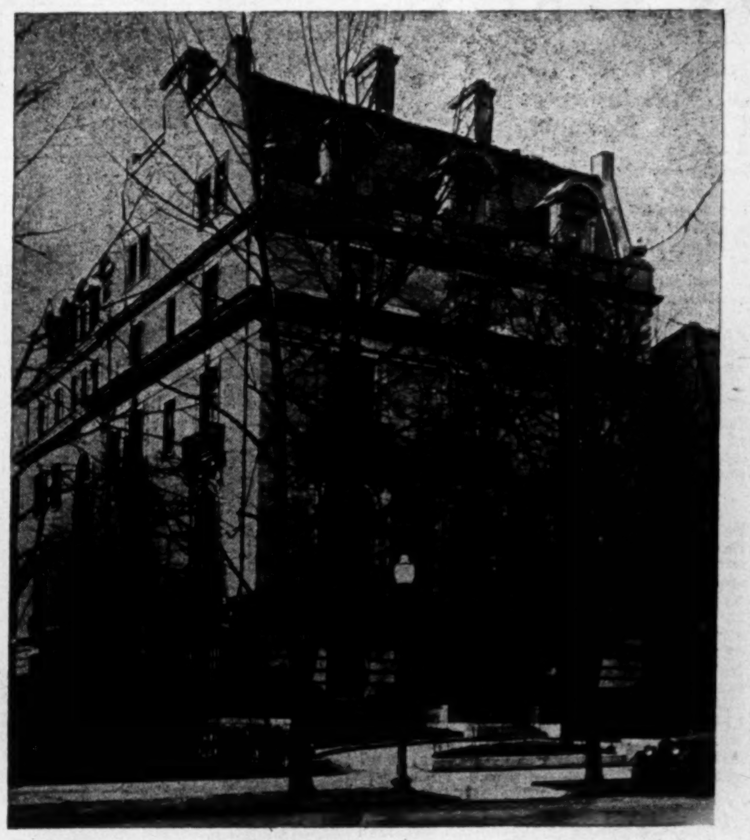
CITY SUCKERS

ONE has only to see the crowds of foolish uninformed tip-hunters who crowd small stock brokerage offices to realize that as much money is lost in poor investments by city people as is lost in the country districts. The confidence games of finance find as many victims in large centres as in small cities, contrary to general impression.

The difference between the city sucker and the country sucker seems to be this; that most city suckers lose their money backing their own judgment in honest stock brokerage houses; trying, in short, to beat the stock market; while most country suckers lose their money in crooked promotions where high pressure salesmanship is a factor in selling securities.

One man, who has observed investing in both town and country, states that there are as many people stung in the cities as in the country but it is difficult to get the city people to admit it.

Will It Build Business for Canada?



Canada's legation staff at Washington is now in temporary quarters but will shortly move to these magnificent premises.

Canada's Legation at Washington Will Help Trade in U.S.

By FLOYD S. CHALMERS.

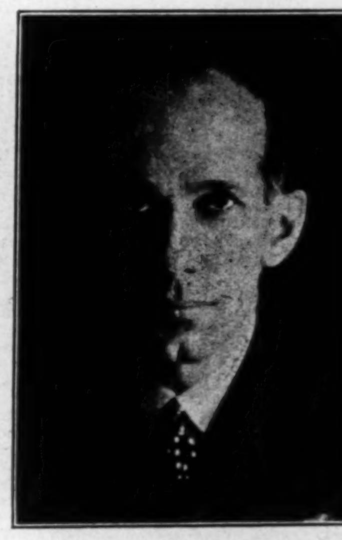
WASHINGTON.—Every morning, 75 to 100 letters—first class mail correspondence—arrive at the Canadian Legation Chancery in this city. Although only about eight weeks old, Canada's American diplomatic office is developing an official correspondence that is beginning to tax the resources of its as yet modest staff.

A very high proportion of these letters represent correspondence from Canadian business houses.

"To whom can I sell aeroplane spruce in the United States?" "What preferential trade agreements has the United States with other countries?" "What is the most recent American tariff ruling on this or that Canadian product?" The questions are along such lines as these.

Benefitting Canadian Trade

In a small way, the Canadian legation in Washington has begun to be of distinct benefit to Canadian trade, commerce and finance. Besides being Canada's official diplomatic office in the United States it performs the functions of a trade commissioner's office and is developing slowly, as well, a publicity and marketing aid for Canadian goods. In the latter respect, however, its functions have not yet been fully defined.



HON. VINCENT MASSEY,
Canada's minister to Washington.

I called upon Hon. Vincent Massey, Canada's minister here. We had a long talk upon the work of the legation and what it means to Canadian business. I also discussed the business side of the work proposed with Thomas Stone, the legation secretary and with M. M. Mahoney, commercial secretary. Mr Massey, I found, was exceedingly anxious that the business men of Canada should appreciate the practical nature of the work that his legation is aiming at. From my conversations with the minister, with his staff and with business men in Washington I was able to form some idea of what the legation may mean to Canadian business.

What I set down, however, must not be regarded as an interview with Mr. Massey. Some of the facts and ideas are his but a great deal of the material is not.

New Building is Fine Structure

As most Canadians know, the Canadian Legation is not yet established in its new buildings, recently purchased by the government. It has temporary quarters but will be in the new legation offices in a few weeks. The new building is indeed a handsome and striking structure. It is a building which Canada may be proud to own. It does credit to our country.

It is proposed to have the new building equipped in a quiet way as a show room of Canada. Maps and other graphic displays will be hung in the public rooms in order that all who come to visit may learn a little about the immense potentialities of Canada.

Many Canadians Visit Legation

Some 550 Canadian visitors have already called on the new minister, this figure, however, including several large parties. All this involves much work for the staff but it is considered worth while effort.

Over 115 notes have already been despatched to the United States state department. More than 150 despatches have been sent to Ottawa in addition to many personal letters to ministers.

Hundreds of private letters on diplomatic, commercial, immigration, and other subjects have been handled in the few weeks the temporary legation has been open.

Mr. Massey and his staff are not by any means enjoying a vacation in Washington.

Makes British Consular Service Ours

Establishment of the new legation puts at the immediate disposal of Canada the entire machinery of the British consular service in the United States. There are 22 full time consular agents of the British government in different parts of the United States, with innumerable vice-consuls and similar officials reporting to them. Canada has always had a certain advantage from this service. Through the British embassy here, their services have been available to all British subjects, which has meant to all Canadians. Now, however, the consuls report directly to the Canadian legation instead of through the round about channel of the British embassy. It is expected that the utilization of this extensive machinery of consular service will be of distinct value to Canadian trade and commerce.

Widens, Instead of Curtailing

In some quarters the impression has got about that now that Canada has its own ambassador in Washington, the British consular and diplomatic service is not available to Canadians. This impression was strengthened when a dispatch appeared in a number of papers, stating that a British consul in one of the states had declined to look after a party of ship-wrecked Canadian sailors on the ground that they now had their own representative in the states, to whom they ought to appeal.

This dispatch, I learn, was wholly false and without foundation. Every Canadian now has full access to the British consuls of the United States and full power to use their good services. The only difference that has been created is that the British consul will now report to Ottawa through Mr. Massey's office rather than through Sir Esme Howard, the British ambassador.

Business Side of Work

A good deal of publicity has appeared in Canadian papers concerning the establishment of the new legation but this publicity has, I feel, touched very lightly upon the business side of the work programmed.

The legation has appointed as its commercial secretary, M. M. Mahoney. Mr. Mahoney was in the department of external affairs at Ottawa for many years. When Lloyd Harris brought his Canadian war mission to Ottawa, Mr. Mahoney came with him. He has remained in Washington since, looking after a large amount of Canadian commercial and diplomatic work. Since the war mission disbanded, he has been attached to the British embassy looking after Canadian work. Mr. Mahoney has naturally had a great deal to do with the preliminary work of establishing the new legation and is now to specialise in the handling of trade intelligence, commercial inquiries, tariff adjustments, publicity for Canada in the United States, etc.

Under his direction an extensive library is being built up in order that questions concerning Canadian wealth, production exports, raw materials, etc., may be quickly handled.

Mr. Mahoney will report to the department of trade and commerce at Ottawa on trade openings that come to his attention in the United States and discuss business conditions for the official publication of the department. In that respect he is a sort of unattached trade commissioner doing work much the same as is being done by Frederick Hudd, Canadian trade commissioner in New York. I gathered that the relations between the Washington legation and the trade commissioner's office in New York are of the best and that very close contact is being maintained between the two.

Has Not Organized Publicity

Apparently no organized scheme of publicity for Canada is planned as a feature of the new work, although undoubtedly Mr. Massey will study this subject very definitely. This does not mean that no publicity for Canada is accruing from the work that is being done. Mr. Massey's speeches have been widely quoted and numerous inquiries are answered. Washington is the home of more newspaper correspondents than are located in any other city of the world and scores of these gentlemen have kept in close touch with Mr. Massey and his staff. In this way, the volume of Canadian publicity in the United States has been measurably enhanced. But the work is unorganized and is not in charge of a good publicity man or trained newspaper man.

I hazard the opinion that Mr. Massey will very shortly find it worth while to put his publicity work on an organized basis. He will probably find it necessary to appoint a trained advertising or newspaperman to his staff to disseminate information concerning Canadian opportunities; to maintain liaison with Washington correspondents and American newspapers and periodicals; to edit publications intended for American distribution; and to see that no opportunity for selling Canada in the States is ever overlooked.

In other words, what The Financial Post has suggested for Great Britain and that is now being worked out by Hon. James Malcolm for the department of trade and commerce, might be adapted to the United States. The expenditure of a few extra dollars could make the legation a great clearing house for news and views about Canada.

Stock Market Transactions

Opinions only after investigation.

All Stocks All Markets

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Higher Prices Probable FOR Investment Securities

Powerful Economic Forces are working together to produce higher prices for investment securities.

In our May List we have briefly pointed out some of the chief influences.

The present outlook is that these will prevail for an indefinitely long period in the future.

May List giving brief description of attractive investment securities, gladly sent on request.

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Business Established 1889

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Fire Insurance

What fire insurance company do you consider the best operating in Canada?

We do not feel in a position to discriminate between the various companies operating here, but would advise you to take insurance with some company that holds its charter under either the Dominion or one of the provincial governments. By doing this, you need have no fear that a company is well looked after as most of the provincial and certainly the Dominion licensing provisions are very careful to guard the interests of both shareholders and policyholders.

Harmonia Fire

Do you think that Harmonia Fire Insurance stock would be a good buy at present levels?

Harmonia Fire Insurance Company stock is at present selling at $52 to $57 and is paying a dividend of 14% on par vale of $10 per share. The company is one of six belonging to the Home Insurance group, which is the second largest fire insurance group operating in America. The company is capitalized at $500,000, the capital stock having been increased recently by an offering to stockholders of two shares of new stock for every three held at a price of $20 per share. A few weeks ago we believe the stock was selling at somewhere around $40 per share. The company was taken over by the Home group in 1924 and has gone ahead tremendously since that time. Undoubtedly the company is in good hands and in spite of the recent appreciation of the value of stock, there should be good things in store for shareholders of the company in future.

Packing Merger

I was very interested in your article in the issue of April 15th regarding the proposed merger of pork packers. I would like an expression of opinion from you regarding the possible effect this might have on the smaller pork-packing concerns.

In our opinion the position of the smaller packers as the result of a possible merger of the large packers of Eastern Canada would not be any the worse. On the other hand, there might be a positive improvement in their position because of a stabilization of prices. It must not be forgotten, that in a period when competition is keen, it is the larger company which leads the way in the hope of eliminating competition. The smaller packers, for the most part, we believe, are operating in their local fields and it is improbable that the larger companies, even when merged, will be in any better position to secure this local business, than they are now.

Maple Leaf Preferred

Do you consider Maple Leaf Milling Co. preferred stock safe to hold or would you deem it a good time to sell?

At the moment there is nothing to indicate that the milling companies will experience better business in the immediate future. Thus, you will see that the shares of the milling companies are not particularly attractive at this time. Maple Leaf Milling Co. is an ably-managed company. It is in a strong financial position and although the earnings for 1926 were somewhat behind those for 1925, $104,000 was added to the surplus which now amounts to practically $2,000,000, not counting a special reserve of $2,000,000.

The report for the year ended March 31, 1927, will probably be available early next month. From information received, it is probable that the earnings will be somewhat less than 1926, but we do not think that the position of the preferred stock has been impaired to any extent.

The milling industry has facing it a number of rather serious problems, but we believe that over a term of years investment in this company will be satisfactory in the main, although the immediate outlook may justify a switch to some other industry if the investor does not lose in the transaction.

Famous Players

Why are Famous Players Canadian Corp. shares selling for less than shares in the American company? What is a board lot on the Toronto and the New York exchanges? Are A. J. Pattison & Co., and McDougall & Cowans, reliable brokers?

We understand that during the first half of the current fiscal year, the Famous Players Canadian Corporation experienced increased business as compared with the first six months of the last fiscal year.

The reason why the shares are selling at a different level from those of the American company lies in the earnings of the Canadian Corporation, which are not at a level equivalent to those of the U.S. company. Proportionately, the earnings applicable to the first preference shares of the Canadian company, are not as large as the earnings applicable to the shares of the American company.

A board lot on the Montreal Stock Exchange is 25 shares; a board lot in New York is 100 shares. The brokerage charges on odd lots are slightly higher than on board lots.

In our estimation, both A. J. Pattison & Co., and McDougall & Cowan are reliable brokerage houses.

Montreal Life

Would you kindly advise me your opinion of Montreal Life Insurance Company stock? Do you consider it a good investment at the present price of $58?

Stock of this company is a fairly good investment. You would do well to acquire some shares of this stock at the price, $58, which you mention.

We understand, however, that it is rather difficult to purchase the stock at this price.

The company has been operating under a Dominion charter since 1908 and under the guidance of Arthur P. Earle, president and managing director, has established an exceedingly strong company with very good prospects for the future. Recently the company was approached by the Atlas Insurance Company of England with a view to purchase. However, Mr. Earle told us that the company is not for sale and that there is no possibility of a change in control.

Last year the company wrote a little over $8,000,000 of new business and has approximately $30,000,000.00 worth of insurance in force.

Life Insurance Shares

I am contemplating the purchase of some life insurance company shares for a long term investment, eight or ten years, and would be glad to have your opinion regarding the following companies.

Monarch Life, 10 per cent. paid.
Security Life, 40 per cent. paid.
Capital Life, 20 per cent. paid.
Empire Life.

Monarch Life is paying a dividend of 80 per cent. per share and is selling at $38 bid and $40 offered. This company, with head office in Winnipeg is doing a very good business, it is 10 per cent. paid.

Security Life is a 40 per cent. paid up stock, and at the present market price of $20. per share the price must be practically at rock bottom. This company has gone through some rather trying times in the last three or four years, but under the leadership of W. O. McTaggart, we believe that the company can confidently look forward to much better times in the future. The Security Life is not paying any dividends at present, and recently made a call on its shareholders which should greatly improve the working capital position.

The Capital Life is a very strong company, one of the strongest of the smaller companies, with head office at Ottawa, and the present rate of dividends is 7 per cent. or $1.40 per share. This stock is quoted at $22. bid and $25. offered but is rather difficult to procure. It has built up a very firm and substantial business and has splendid possibilities for the future.

The Empire Life is another stock which is difficult to purchase, the current price being $31. bid and none offered. No dividends are being paid on this stock, but the company is expanding soundly and rapidly, having recently opened offices in British Columbia and some of the Western provinces. They have at present about $6,000,000.00 of insurance on their books.

Bank of Commerce

What do you think of following switch?

Sell 5 Bank of Commerce at $240.

Buy 5 Brazilian Common around $135.

Buy 5 Montreal L.H.P. Common around $82.

Buy 5 Shawinigan Common around $88.

I bought Bank of Commerce at $199. per share.

Am buying to build for future.

The switches promise profit.

One of the most expert observers of the Canadian market, recently expressed the opinion that Brazilian common should be selling much higher in view of the fact that the company is in a position to increase its dividends 1 per cent. per year for the next five years.

Montreal Light, Heat & Power Consolidated at 85 appears to be ridiculously high, but it is pointed out that the company is in an exceptionally strong financial position. Critics have been insisting for a number of years that the price was ridiculously high, and yet it continues to climb.

In the long run, we do not believe that you could make a mistake in buying Montreal Power.

The case of Shawinigan is somewhat different. We understand that the company is committed to a policy of expansion, which will take practically all its surplus earnings for the next five years. In view of this, you possibly would be better advised to go into some industrial, as Pacific Burt, at around the same price. This is one of the Moore group of companies which are noted for consistent earning records and the fair-minded attitude of the management for the shareholders.

Toronto Casualty

Being a subscriber of the Financial Post we would appreciate receiving your advice regarding the financial standing and progress of Toronto Casualty and Insurance Co. We have a general blanket policy in the company covering household effects, and we have recently heard rumors to the effect that the company has suffered an impairment to its capital and it is not at all in good financial circumstances. Will you also kindly suggest whether it would be well to continue our policy or cancel it and take it out elsewhere?

We would not advise you to cancel your policy with this company because we believe the company has successfully weathered a rather difficult period in its development and is now on the road to prosperity.

The company has shown considerable initiative in introducing new forms of policies and although the year 1926 was not a very satisfactory one for the company, the volume of business written has increased considerably from year to year. In 1926 the company re-organized its balance sheets and disclosed a slight impairment of capital. However, this should not effect you as a policy holder in the company, especially when it is remembered that the company is licensed under the very strict laws of the province of Ontario, and the conditions that affected it adversely in 1926 were a legacy from 1925

C. N. R. Income Bonds

As I have been advised that you are familiar with the Canadian Northern Railway income bond situation, I am writing you to ask if the proposed settlement relative to the exchange of Canadian National stock of equal face value bearing 4½ per cent. has been effected. As I understand it, the agreement was ratified by all parties concerned but was subject to the approval of parliament. It is this point of which I am in ignorance.

The Dominian Government has never ratified the agreement regarding the exchange of C. N. R. income, for Canadian National stock of equal value. The proposal was put before the parliament before Christmas, but was turned down by them. At the present moment there is another rumor concerning a new agreement, but nothing definite to back it up. It is also said that if the present plan goes through, the bonds would be worth about 80, which is an appreciation of about seven points over their present price.

POST-Scripts

JACK MINER, the well-known bird man of Kingsville, Ontario, is noted for his originality. His son, Manly Miner, appears to follow in his father's footsteps and in announcing an addition to the Miner family sent to his friends the following card:

Stork News
from
The Henry Ford Hospital
Detroit, Michigan
By Mr. and Mrs. Manly Miner

This spring brought something unusual in the history of the Jack Miner bird sanctuary. The flock of geese which come every spring were this year joined in their flight Minerward by a stork.

Finding the atmosphere around the ponds too chilly, this rare bird on his first visit took flight and parked at the Henry Ford Hospital, Detroit, Michigan, where he left a daughter for Manly Miner and wife, April 28th, 1927.

A CANADIAN visitor to Washington during the recent aeronautical show there got an idea of the advance that commercial aviation is making in the United States. Displays at the exhibition brought out the amazing growth of private aviation work across the line.

The aeronautical show was arranged much like the familiar motor show, with booths for various exhibitors and with all the newest models of 'planes on view.

To make the resemblance to the motor show complete, the manufacturers of the different types of machines were giving demonstration flights by the score to prospective customers.

When Women Invest

They Are Only Persons Able to Make One of Primary Tests of Worth of Many Securities

A REGULAR FEATURE

Public utilities have attained better relations with the public by having their customers become their shareholders. Some of the more opulent shareholders probably get more than enough from the company in dividends to pay their gas or electric bills. Even the small holder of such shares gets something toward the cost of utility services.

Indubitably, stock ownership in a utility has made the public more tolerant of utility companies because it has given the public a better understanding of the problems surrounding the successful operation of private companies. It has been helpful to the public, moreover, in that a greater number of small investors have come to understand what investments are and to realize that they are entitled to a return on their investment.

So far, customer-ownership, as such, has been confined mostly to public utility companies, but there is no reason why the investor in an industrial should not also be a customer of that industrial company. Business men often follow their natural bent and, when they have funds for investment outside their own business, find something of interest to them in a line allied to theirs. Thus one finds the milling companies interested in baking companies, the Canadian Pacific Railway Co. interested in tourist hotels and Toronto and Montreal capital which originally profited by local street-railway franchises, now interested keenly in traction and power projects in Brazil, Spain, Porto Rico, Mexico and the United States.

Even the Bath Tub

In what manufacturing companies might women naturally be expected to take an interest as shareholders?

The bride sallies forth to view a home offered for sale. If she has a wide interest in investment (which is most unlikely although it would be profitable) she would be intrigued by the thought that she would get some profit from herself if she bought a house built of brick from, say, National Brick, or that the tiled bathroom was outfitted by, say, Port Hope Sanitary, etc., etc.

As she moves into the home, she may select draperies produced by Dominion Textile or one of the other companies in the textile trade in which there is an investment interest. She may, as she wanders through the basement of a department store, note that the glass fruit jars are made by Dominion Glass Company, that in choosing a Kelvinator she is helping herself because of some stock she holds.

The list is almost infinite.

And as she steps up the walk toward her own front door and reflects that said walk is hard after a long day's shopping, she might reflect that the hardness is a tribute to one of the country's outsanding investments, Canada Cement Co.

As a consumer, every woman who is managing director of a home also has a direct interest in such other outstanding Canadian investments as Canadian General Electric or Westinghouse, which builds the transformers which are on the poles at the corners and the electric iron or stove which is in the kitchen, with Dominion Radiator, because that company may have supplied the radiators which warm, as well as adorn, the rooms; with Canadian Canners because even the best housewives nowadays know that canned goods are good; with City Dairy because if she has a wakeful night she hears the nocturnal employee at his job; and if she shops at Loblaws or Dominion Stores or Arnolds she realizes perhaps that reasons for the stability of such investments is to be found in the service they render the public.

Can Make One Test

All these companies, and many others, are companies of which women have direct knowledge from the consumer end. The woman investor hardly could do better, if she is in position to invest part of her funds in industrial securities, to select companies of this character because they are companies which are supplying necessaries of modern life. As manufacturers and distributors of essential commodities, these companies will not be subjected to violent fluctuations of demand for their goods, at least in normal times.

An investment cannot be meritorious unless the company's product is good. Women are about the only judges of the merit of household articles and foodstuffs. If they find a household device or a foodstuff good, the investment has passed one test. When it has passed this test, women might look around to discover whether or not the product or the service is well known and is well advertised and then, if the company is frank about its financial affairs and if it has shown increasing earnings over three or four or more years, it may be a reasonably good investment for a portion of any investor's capital.

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Descriptive circular will be furnished upon request.

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Full particulars regarding the scope and character of the service rendered by this Company are contained in a booklet entitled "The Seal of Security," a copy of which will be mailed to any investor upon request.

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News of Investment Markets

N. E. INVESTMENT TRUSTEE SHARES OFFERED PUBLIC

Shares Represent New Departure in Investment Trust Field

From Our Own Correspondent.

Montreal.—A somewhat new type of investment trust security is being offered Canadian investors by the New England Investment Trust Incorporated, which has recently opened offices in Montreal under the management of Percy T. Strong. The offering being made investors consists of collateral trustee shares of the New England Investment Trust.

The New England Investment Trust Inc. itself derives no income from the securities against which the collateral trustee shares are issued. When the purchaser of a trustee share buys his stock, included in the purchase price is a very moderate fee to the New England Investment Trust, which covers its services as expert statistician, administrator and adviser over a period of twenty years.

Method of Operation

The way the trust operates is as follows:

The New England Investment Trust purchased 132 common shares of 80 strong corporations representing 20 different underlying U. S. industries. The shares are all common stocks and must be listed on the New York, Chicago or Boston stock exchanges and must all have paid dividends for at least five consecutive years.

These 132 shares form a unit and are immediately deposited with the Liberty National Bank in New York as trustee for the collateral trustee shareholders. Against this unit of 132 shares, the trustee bank issues 1,000 collateral trustee shares which at present are quoted at around $11.75 per share. The shares are quoted in many of the leading U. S. daily newspapers.

While the shares are quoted at $11.75 each, ten shares is the lowest number which may be purchased in one unit.

May Obtain the Stock

Should the purchaser buy 1,000 collateral trustee shares it will be seen that deposited with the trustee bank there will be the 132 collateral common shares of leading U. S. companies. If desired, the holder of the collateral trustee shares can exchange the trustee shares for the actual shares in the U. S. company—provided, of course, a full unit of 1,000 shares is purchased.

Dividends on the underlying stocks are collected by the trustee bank and every six months dividends are distributed pro rata to the holders of the collateral trustee shares. These distributions include all regular and extra cash dividends as well as the proceeds of sales of fractional stock dividends or rights.

All full shares of stock which have been received as dividends are added to capital account. All the income collected by the trustee bank, whether it be in the form of dividends or stock bonuses of any sort, is thus applicable in its entirety to the holders of the collateral trustee shares. During the twenty year duration of the trust, there is no deduction from income for any purpose whatsoever. It goes entirely to the holders of the collateral trustee shares.

Can Switch Securities

Should the New England Investment Trust deem it advisable to make some switches in the stocks held as collateral, this can only be accomplished by obtaining the consent of the Liberty National Bank, which is acting in the interests of the collateral trustee shareholders. If a stock ceases to pay dividends, it is immediately sold and the trustee bank and the New England Investment Trust, Inc., must agree on the stock which will be substituted. The underlying investments are confined entirely to common stocks of leading companies which give every indication of an appreciation over a term of years.

The interests of the collateral trustee shareholder are safeguarded by the trustee bank and the cost of operating the New England Investment Trust over a period of twenty years is included in the initial payment for the collateral trustee shares. The company charges but a moderate fee for its services and the rate of its charges is fixed. The collateral trustee shares were first put on the market at $10 per share. They have since appreciated and now change hands at around $11.75. Thus it will be seen that at present prices the cost of operating the trust—due to the appreciation of the underlying stocks—now represents an even smaller proportion of the original cost of the collateral trustee shares than at the time the shares were first issued.

For the year just concluded, the collateral trustee shares brought the holders 94½ cents for each share. The present price at which they are being offered represents what appears to be a minimum yield of 7½ per cent. on the investment.

Dominion Textile Plans Further Plant Expansion

From Our Own Correspondent.

MONTREAL.—Dominion Textile will enlarge its plants, F. G. Daniels, managing director, announced this week.

The company is adding eight additional printing machines with complementary machinery to its Magog plant, making 24 in all, which will be double the capacity which the plant had three years ago, when four additional machines were installed.

Expansion of the Montmorency plant, which has involved reconstruction and realignment of the buildings with one new structure five storeys tall and about 600 feet long, will be completed in the next sixty days.

During the year other plants have received a great deal of new machinery, several hundred new looms having been installed at the Merchants' and Verdun plants.

Unfilled orders on the books of the company at the present time are much larger than at the corresponding period of last year. The outlook is that the company will work at or as near as possible to capacity for the next three or four months.

Wood, Alexander & James Have Good Year

Wood, Alexander & James, Ltd., wholesale hardware merchants of Hamilton, had a very prosperous year, it is revealed by the balance sheet just published. Current assets amount to $868,918 and current liabilities are $198,284, the ratio being better than four to one. Assets totaled $2,079,154, of which $500,000 is for goodwill. Profit before bond interest totaled $113,806, which left a net profit after bond interest of approximately $90,000. After dividends on the first preference shares, depreciation, etc., there was a surplus of $16,300, which brings the corporate surplus carried forward to $16,300.

S. H. Alexander, president, states that merchandise sales in the fiscal year ended January 31, 1927, were substantially ahead of the previous year. There has been a similarly gratifying increase in sales in the current fiscal year so far.

Pilsener Beer Shares Sold at Par Plus Bonus

From Our Own Correspondent.

MONTREAL.—The Mount Royal Securities are offering $100,000, 7 per cent. preferred shares of Pilsener Beer, Ltd., a company incorporated in Canada to operate the Canadian agency of the Citizens' Brewery of Pilsen. This brewery is the largest brewery in the world exclusively manufacturing Pilsener beer.

Particulars of the issue follow:

$100,000 Pilsener Beer, Limited

7 per cent. cumulative, redeemable, preferred shares of par value $5; preferred as to dividends and assets.

The company: Will operate under license of the Quebec Liquor Commission and will import Pilsener beer in bulk and maintain a bottling factory and distributing service in Montreal.

Plant: The installation of modern automatic bottling machinery sufficient for the company's needs has been arranged.

Purpose of issue: The proceeds of the present issue will be applied to the purchase of plant and machinery, for working capital and general corporate purposes.

Earnings: It is estimated that the sales in the province of Quebec alone should amount to not less than 150,000 bottles per month Based on this and sales to other Provinces, there should be a satisfactory return on the common stock.

Capitalization:

	Authorized	To be issued
7% Pfd. shares (par val. $5)	$100,000	$100,000
No par val. com. shares	50,000 shs.	50,000 shs.

Offered: May, 1927 by the Mount Royal Securities Limited at $5 per share with a bonus of five shares of no par common with every ten shares of preferred.

CANADIAN BRONZE INDICATES TREND

Many Canadian Companies Passed Into Canadian Hands Recently

From Our Own Correspondent.

MONTREAL.—During the last year or two there has been undoubtedly a very large flow of capital to Canada for industrial purposes, but at the same time there seems to be a tendency towards bringing the equity or stock ownership of Canadian companies into the hands of Canadian investors.

The latest example of this is the financing of the Canadian Bronze Company, which formerly was owned practically in its entirety by United States interests, but which now is under Canadian control.

The company has acquired all the assets of the Canadian Bronze, Limited, the St. Thomas Bronze Company and the North-West Brass, Limited. Formerly, these three companies were operated under one management. The United States interests in control of the three organizations commenced business in 1896 with but a small initial investment and the present business has been almost entirely built up from re-invested earnings. It has never yet experienced an unprofitable year.

Operates Four Plants

The company manufactures bronze bearings, bushings and castings which are used principally for freight and passenger cars, and locomotives in Canada; it has supplied all but a small fraction of the railway requirements in this country and has enjoyed this position for about twenty years. The principal source of the demand lies in replacement orders for maintenance. Four modern plants are owned and operated in Montreal, St. Thomas, Winnipeg and Calgary.

The control of the company was brought to Canada and the financing involved an issue of $1,250,000, 7 per cent. cumulative sinking fund, preference shares on which, during the last ten year period, earnings have always been at least well over twice the preferred dividend requirements.

The company enters its new career under strong auspices; on its board are Sir Charles B. Gordon, Sir Herbert S. Holt, Albert E. Dyment, Ross H. McMaster and Ernest R. Decary, and Stewart H. Jones.

Another Brewery Stock Makes Its Appearance

From Our Own Correspondent.

MONTREAL.—The common stock of the Brading Brewery, Limited, has been listed on the Montreal Curb Market. Recently the company sold a block of no par value common stock at $20 per share to the public. The Brading Brewery is an old organization and its products are well-known in and around the Hull and Ottawa district. The company has just completed an addition to its plant which includes new buildings, machinery and equipment. It is understood that the earnings, taking into account seasonable fluctuations, have been running at around $3 per share per annum. These earnings have come largely on the company's business in the province of Quebec, but with the forthcoming change in the legislation in the province of Ontario, it is anticipated that profits should be materially increased, for the market in and around the city of Ottawa alone is large, without taking into consideration the surrounding Ontario territory. It is estimated that earnings will range around $6 per share per annum under the new legislation.

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AMERICAN SUBSIDIARY NOW CAN. OWNED

Proceeds of New Preferred Stock to Pay For Purchase

Recent changes in the drawback on the tariff on the importation of automobile parts and accessories has benefited Canadian companies to the extent that many have found it necessary to do new financing in order to provide for extension of plant and equipment in order to handle the greatly increased volume of business. The latest announcement in this field is the offering of $225,000, 7 per cent. cumulative participating preference shares of the Canadian Motor Lamp Co., by Matthews and Co.

This company was originally formed in 1913 as a subsidiary of the Edmunds and Jones Corp. of the United States. The Edmunds and Jones Corp. has lately been merged with the C. M. Hall Lamp Co., and the executive management of the Canadian Lamp and Stamping Co., has taken advantage of this opportunity to purchase the business from the parent company.

Well Distributed Business

Business of the company consists of the manufacture of automobile headlamps, tail lamps and other necessary lamps, with factory located at Ford City, Ont. Canadian Motor Lamps now supplies lamps to nearly every important motor car manufacturer in Canada and has a well distributed business with the jobbers of automobile accessories throughout the Dominion. An export business has recently been established and it is believed that this can be considerably developed, especially within the British Empire.

Particulars of the issue are:

$225,000
Canadian Motor Lamp Co., Ltd.
7% Cumulative Participating Preference Shares.

Business—Manufacturers of automobile headlamps, tail lamps and other accessory lamps to 95% of the trade in Canada. Has promising export markets in development stage.

Capitalization—
(Upon completion of this financing)

	Authorized	Outstanding
7% Cum. Participating Sinking Fund Pref. Shs. (this issue)	$300,000	$225,000
Common shares (no par value)	12,500 shs.	12,500 shs.

Assets—Land, buildings and equipment as at December 31st, 1926, $240,986. Will have no bank loans nor bonded indebtedness upon completion of present financing.

Earnings—For the past four years, after payment of taxes and all charges and before depreciation, $53,028. For the year ended December 31, 1926, amounted to $46,661. Net earnings have amounted to 3½ times preference dividend requirements.

Purpose of Issue—This issue, together with common shares sold, will provide funds for purchase of Canadian plant, improvements and necessary extensions. All common shares, except bonus shares given with this issue, have been sold for cash.

Provisions—In event of voluntary liquidation, preferred shares are entitled to $108 and all accrued and unpaid dividends for each $100 outstanding. In the case of involuntary liquidation, each $100 preference share will be entitled to $100 and all accrued and unpaid dividends (b) participate equally share for share with common shares in any and all cash dividends in excess of one dollar per share on outstanding common. There are numerous other safeguards for the preference shares.

Offered By—Matthews and Co., at 100 and accrued dividend, with a bonus of ½ share no par value with each $100 share preference. Fractional shares will be adjusted at $20 per share.

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TRAYMORE LIMITED
7% Sinking Fund Cumulative Preferred shares
(Par value $20)
Carrying bonus of one share of Common stock with each $100 par value Preferred

BOARD OF DIRECTORS
G. G. PLAXTON, Toronto, President
GEO. W. WAGAR, Montreal, General Manager
D. N. C. HOGG, Montreal.
H. W. STEWART, Toronto.
J. A. GAIRDNER, Toronto.
O. A. DOHERTY, Toronto.
J. K. M. ROSS, Montreal.

Every TRAYMORE RESTAURANT HAS BEEN SUCCESSFUL

CHAIN restaurant companies practically without exception, have been successful. Those who invested in their securities have profited proportionately. The restaurant business is on a cash basis, inventories are light, turnover is rapid. Under experienced management, and having the advantage of large scale buying, the chain restaurant company as a field for investment compares favorably with any other class of investment.

Traymore Limited is the largest and most successful chain restaurant system owned and operated in Canada. Traymore has six restaurants, five in Montreal and one in Toronto. Plans for expansion include the opening of two additional restaurants in the near future, one in each of the business sections of Montreal and Toronto. It is noteworthy that every restaurant opened by the Traymore management has been operated on a profitable basis. The 7% Preferred Stock of Traymore Limited is an excellent investment — well secured, and, through the bonus of common stock and the conversion privileges gives to shareholders an opportunity to share in the surplus profits of the company. There are no bonds ahead of the preferred; it is preferred both as to assets and dividends, with full voting power.

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Plus a bonus of one share of Common Stock with every $100 par value purchased.

Write for a copy of the Traymore circular, which gives full details regarding this investment opportunity

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Dissenting Shareholders Granted Right to Copy Brooks List of Buyers

Shareholders of Brooks Steam Motors for whom F. W. Wegenast, Toronto barrister, has been acting, have been granted leave to copy the list of shareholders filed in the office of the Ontario provincial secretary.

Action to be taken by this committee will be determined at a meeting in Toronto on May 13th, when, it is said, shareholders representing several hundred thousand shares will be present.

All of the shareholders on the official list will be circularized with a view to getting their support in the effort to oust O. J. Brooks and his four associates from the directorate of the company.

A Financial Post's Report

A feature of the circular will be The Financial Post's report of the annual meeting of the shareholders of the company in Stratford, April 29th. Mr. Wegenast selected this report to be reprinted at the expense of the shareholder's committee and sent to all shareholders, because, in his opinion, it was accurate and clear in describing the events at that meeting.

Access to the list of shareholders of Brooks Steam Motors is considered by the committee to be important in view of the fact that the company itself had refused to permit the names to be copied, Mr. Wegenast being told merely that he could see the list in the company's office.

Is Reason For Rule

It is a rule of the provincial secretary's office that no one be permitted to copy lists of shareholders except on authority of the minister. At various times, however, it has been indicated that certain persons have been given access to these lists. The reason for the rule is that it was apparent that so-called sucker lists were being compiled from lists of shareholders in substantial companies.

According to Mr. Wegenast, O. J. Brooks and his solicitor opposed the Wegenast application for access to the list at the parliament buildings. The argument consumed an hour and a half, Mr. Wegenast arguing that the rule was not designed to prevent shareholders in a company from communicating with one another. There are 8,000 names on the Brooks's list.

Employers' Indemnity Corp. Enters Canada

The Employers' Indemnity Corporation, a large American reinsurance company transacting business in all casualty lines, has been lincensed by the superintendent of insurance at Ottawa to transact the business of employer's liability insurance in Canada.

The company has for some time been carrying a considerable amount of Canadian reinsurance on its books, having operated heretofore as an unlicensed reinsurance company. At present only reinsurance will be carried by the company in Canada.

The Employers' Indemnity Corporation has been operating in the United States for 10 or 11 years, transacting all kinds of casualty insurance. The head office of the company is in Kansas City, Missouri, and the president is E. G. Trimble, who is also president of the Exchange Mutual of Buffalo, and the Sentinel Life Insurance Co. According to the last financial statement, the company had total assets of $3,715,885, with a paid-up capital and surplus of $1,050,537.

The Canadian head office will be located at Toronto, the chief agent for Canada being A. E. Dawson, general manager of the Toronto Casualty, Fire and Marine Insurance, and associated companies.

This Week's Bond Sales

Town of Georgetown

Stewart, Scully and Co. were awarded an issue of $19,500, 5½ per cent. consolidated debentures at 101.75 and accrued interest of the Town of Georgetown at a meeting of the town council.

Perth Sells Bonds

An issue of $233,690, Town of Perth, 5 per cent., 20-instal. bonds has been sold to Tom Farmer, Perth, on a bid of 99.96. The bids were:

Tom Farmer	99.96
Ames & Co.	99.61
Wood, Gundy Co.	99.60
McLeod, Young, Weir & Co.	99.53
Dyment, Anderson Co.	99.27
C. H. Burgess & Co.	99.13
Hains McKeen & Co.	98.76

COL. CURRIE DEFENDS STOCK POOL PLAN

Says Dominion Industrial Alcohol Company Issued No Promotion Shares

Col. John A. Currie, of Toronto, whose bond house, Continental Bond Corporation, is financing Dominion Industrial Alcohol Company and Peace Bridge Breweries, states to The Financial Post that no promotion stock in either of these companies has ever been given by the companies to the promoters, or any one else for promoting the companies, or for promotion purposes. Col. Currie makes this statement in objecting to recent articles concerning these two enterprises that have appeared in The Financial Post.

The Financial Post has requested of Col. Currie, a statement of the issued capital stock of Domininon Industrial Alcohol Company, with details as to the consideration for which each share or block of shares was issued, but in replying to this request, Col. Currie has not supplied the information, nor indicated that he is ready to supply it. The Financial Post requested this information, because it felt that it was vital to a consideration of the position of this stock, concerning which numerous enquiries have been received from shareholders, some of them expressing distinct dissatisfaction with their purchases.

Col. Currie defends the pooling arrangements under which stock in this company was sold. He points out that "directors can give permission to any stockholder at any time, to sell his stock if he has a buyer." He continues:

"It is very important nowadays for every company during its promotion that its stock be kept in pool until it begins operating and earning. A number of companies recently have been ruined before ever they got started, by two financial conditions which are allowed to exist and which should be curbed by legislation. First. In case of 'free' stock unscrupulous brokers can place these shares on the so-called 'curb' market of the exchanges without the knowledge or consent of the company and by manipulation knock the shares down and strangle the company before ever it is born. This is the plan frequently adopted by competitors of the new organizations in the industrial world. Second. The country is crowded at the present time with scheming high pressure brokers who are running all over the province trying to get people to buy worthless shares. If they find a man has some stock which can be readily marketed, he is immediately advised to dispose of this stock for some worthless shares in Quebec mines or some oil lands in Texas. The stock of this company was pooled to avoid these things and was done in the best judgment of those concerned and for the best interests of the company and its prospective shareholders."

Newsprint Over-Expansion Temporary, Says Price

From Our Own Correspondent.

MONTREAL.—John H. Price, president of Price Brothers, regards present over-expansion in newsprint as temporary. At his company's annual meeting he said: "The period of depression brought about may be measured by the ability of the industry as a whole to face the new conditions and to find ways and means to better regulate supply and demand. A slight slackening in the feverish haste to construct new mills alone would ease the situation considerably as regards overproduction, while more intelligent methods of competition in supply would assist in equal measure in establishing fair prices. I am happy to say that definite steps are now being taken in this direction by the continued efforts of the principal companies in the country, and to the results of these efforts I look forward with confidence."

Mr. Price referred to the disappearance of the "Kinagami Restoration" deferred charge in the balance sheet, and to the equally favorable fact that the company's guarantee of Duke-Price power bonds no longer exists, as the bonds have been redeemed.

Construction work of the Riverbend mill increase to 400 tons is proceeding satisfactorily. Additional timber holdings have been acquired.

Week's Bond Sales

COBALT R. C. SCHOOL

The Toronto Casualty Fire and Marine Insurance Company was awarded the Cobalt R.C. Separate School $11,722 5 per cent. 20-year, guaranteed principal and interest by the Province of Ontario, at 100 and accrued interest. Tenders follow: Toronto Casualty Fire and Marine Insurance Co., 100 and accrued interest; Royal Securities Corp., 99.23.

VILLAGE OF BEAVERTON

The Village of Beaverton awarded an issue of $44,400 5½ per cent. 15 annual instalments to C. H. Burgess and Company at 102.77. The bids were:

C. H. Burgess & Co.	102.77
A. E. Ames & Co.	102.69
Bell, Gouinlock & Co.	102.43
Harris, MacKeen & Co.	102.26
McLeod, Young, Weir & Co.	101.89
Wood, Gundy & Co.	101.60
R. A. Daly & Co.	101.53
Dyment, Anderson & Co.	101.38
Royal Securities Corp.	101.07
MacKay and MacKay	101.00

TOWN OF PRESTON

An issue of $60,811, Town of Preston 5 and 5½ per cent. 10-year debentures has been awarded to J. M. Scott, Preston, at 100.75. The bids were:

Dyment, Anderson & Co., 5%	99.40
5½ per cent.	101.59
C. H. Burgess & Co.	100.51
Brouse Mitchell & Co., 5%	99.61
5½ per cent	101.91
Wood & Co.	100.40
McLeod, Young, Weir & Co.	100.30
Royal Securities Co.	100.321
J. M. Scott	100.75

BOND MOVEMENTS OF THE WEEK

Week Ending May 10

Bonds—	Int. Rate	Due	Yield	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low	Ask	Bid	Latest Price High	Latest Price Low
Asbestos, 1st mtge.	6	1941	5.79	..	..	102	96¼	101⅞	101½	102	..
Do., gen. mtge.	6	1956	6.51	83¾	81	94⅛	88	93½	92⅞	93¼	93
Canada Bread	6	1941	5.50	106	104	105¼	105	..	105½	105	..
Can. Canners	6	1950	6.00	100	94	100¼	96½	100	99½	100	99⅛
Canada Cement	6	1929	5.63	103	100½	102¼	100½	102	101	101	..
Dominion Coal	5	1940	5.78	89½	84½	92⅝	90	..	90	92⅝	90
Dominion Iron	5	1929	11.22	94	86	92	69	86	85	84½	..
Montreal Power	5	1933	4.86	99½	99½	100⅞	97½	..	..	100⅞	..
Mex. Power	5	1933	11.06	70	67	71	70	71	68½	71	70
Mont. Tram., 1st mtge.	5	1941	5.04	98½	93	99⅞	98¾	99½	..	99½	..
Do., "A"	5	1955	5.20	95	92½	97¾	94¼	96⅝	96	96⅞	96
Quebec Rly.	5	1939	5.03	100	91⅞	99¾	96	98⅝	98	99¾	97⅝
Steel of Can.	6	1940	5.[illegible]	107½	106	107½	106⅞	107	106¾	107	..
Wayagamack	6	1951	6.12	100⅝	90	100	97	98½	98	98½	..
War Loan	5	1931	[illegible].66	100.40	100.35	101.85	101.00	101.50	101.30	101.45	101.40
Do.	5	1937	4.50	104.95	102.75	103.60	102.95	103.60	103.35	103.60	103.00
Victory Loan	5½	1927	4.55	102.50	100.15	101.00	100.25	100.60	100.45	100.50	100.25
Do.	5½	1933	4.60	106.35	103.20	105.05	103.90	105.05	104.80	105.05	104.85
Do.	5½	1934	4.85	104.40	102.65	104.10	103.15	104.15	104.00	104.05	103.90
Do.	5½	1937	4.53	109.30	106.70	108.10	106.90	108.05	107.80	108.10	108.00
Do., Renewal	5½	1927	4.55	101.95	100.00	100.80	100.20	100.60	100.40	100.50	100.20
Do., Renewal	5½	1932	4.85	103.90	102.00	103.55	102.45	103.35	103.10	103.30	103.00
Do., Refund	5	1928	4.60	101.35	99.00	101.45	100.00	100.40	100.35	100.25	.....
Do.	4½	1940	4.50	96.95	95.60	100.00	96.60	100.00	99.75	100.00	99.65
Do.	5	1943	4.65	102.80	101.10	103.85	102.30	103.80	103.55	103.85	103.50
Do.	4½	1944	4.50	97.15	95.70	100.10	98.05	100.00	99.75	100.00	99.85
Do.	4½	1946	4.50	99.60	95.65	100.05	96.70	100.00	99.75	100.05	.....

FOREIGN EXCHANGES

English, Italian Exchanges Strong

Conducted by JOHN E. LANGDON.

After a series of sharp fluctuations in foreign currency, the market settled down during the past week, interest being largely confined to the sterling, lire and Japanese yen. Insofar as New York funds are concerned, there were no important changes, demand being fairly active at a slight discount.

The rapid progress made by British commerce and industry since the beginning of the year, has been greater than generally anticipated. Consequently, reduction of the bank rate from 5 per cent. to 4½ per cent. has caused Sterling to increase to $4.86, at which level it is being maintained with some show of strength. It is expected in some quarters that a further reduction in the Bank of England discount rate will take place before very long.

Lire may be said to have been the feature of foreign exchange last week. Heavy buying was the rule, largely on speculative account on which large profits have been made. Trade reports from Italy are favorable, but indicating no reason for the advance. Amalgamation of five Italian steamship companies has been announced, the object being no doubt to cut overhead expenses and to eliminate competition for foreign markets. This move has met with the approval of the Facist Government and has tended to increase optimism on Italian fiscal affairs.

The Japanese yen also came in for some attention. The Government's action in giving further support to the Bank of Taiwan, which recently closed its doors, has been well received. The uncertain financial situation, however, caused the transfer of large deposits to the largest Japanese banks and the foreign bank branches, creating an abundant supply of funds and sending money rates to below levels ruling before the panic. As a result, foreigners are placing little money in Japan because of low interest rates. Demand yen was quoted at 47.62 cents on Wednesday.

The rest of the list shows little change, the more active currency being a point or two higher.

NEW YORK FUNDS

	High (Discount)	Low (Discount)	Last Year High (Discount)	Last Year Low (Discount)
May 5	3-32	7-64	1-8	5-32
May 6	5-64	3-32	9-64	5-32
May 7	5-64	5-64	9-64	5-32
May 9	1-16	5-64	5-32	5-32
May 10	3-64	1-16	9-64	5-32
May 11	1-32	3-64	3-32	1-8

STERLING, FRANCS AND LIRE

	Close Sterling	Close Francs	Close Lire
May 5	4.85½	3.91¾	5.22½
May 6	4.85 7/16	3.91¾	5.28
May 7	4.85 7/16	3.91¾	5.36
May 9	4.85 15/32	3.91⅝	5.47½
May 10	4.85½	3.91¾	5.40
May 11	4.85½	3.91¾	5.44

FOREIGN EXCHANGE

Par		May 4	May 11
13.90	Italian	5.19	5.43
32.45	Brazilian	11.81	11.81
23.82	German	23.69	23.67
19.30	Belgian	2.78	2.78
84.85	Japan	47.70	47.50

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Unlisted Bonds

	Bid	Asked
Abitibi P. & P. 6s, 1940	104¼	105¼
Algoma Steel 5s, 1962	29¼	30½
Alberta Pac. Grain 6s, 1946	98	99
Bell Telephone 5s, 1955	102⅛	102⅝
Belgo. Can. Paper 6s, 1943	102	102¾
Brandram-Henderson 6s, 1936	96	98½
B. C. Pulp & Paper 6s, 1950	88	92
Brompton P. & P. 6s, 1946	99⅝	100
Burns P. & Co. 6½s, 1943	103¼	104¼
Calgary Brewery 5s, 1942	89⅛	90½
Calgary Power 5s, 1940	93	93¾
Canada Lt. & Pr. 5s, 1949	94½	95½
Can. Nor. Power 6½s, 1941	101¾	102½
Canada Paperboard 7s, 1937	98½	100
Can. Steamships 5s, 1943	99	99⅝
Can. Steamships 6s, 1941	98⅜	98⅞
Can. Steel Fndry, 6s, 1936	104⅝	105¾
Davies, Wm., 6s, 1942	93½	94½
Dominion Iron 5s, 1939	29½	31½
Dominion Power and Tr. 5s, 1932	97¼	97¾
Drummond Invest. 6½s, 1938	99¼	100¼
Duke Price Pr. 6s, 1966	105	105½
East Kootenay Pr. 7s, 1942	103¾	104½
Elec. Development 5s, 1933	100⅛	100⅝
Famous Players 6½s, 1943	99	100¼
Fraser Co. 6s, 1950	98½	99
Gatineau Power 5s, 1956	97⅜	97⅞
Gatineau Power 6s, 1941	101⅝	102
Howard Smith P. & P. 6s, 1941	104	105
International Paper 6s, 1941	98⅛	98¾
King Edward Hotel 7s, 1944	92½	94½
Lake Superior P. & P. 6s, 1941	107	108
Laurentian Pr. 6s, 1936	103	104½
Laurentide Pr. 5½s, 1946	101	102½
Maple Leaf Mfg. 6½s, 1943	103½	104½
Maritime Tel. & Tel. 6s, 1941	104	105
Manitoba Pr. 5½s, 1951	99½	100
Mercury Mills 6½s, 1942	101	102
Mont. L. H. & Pr. 5s, 1951	100¼	100⅝
Mont. Pub. Service 5s, 1942	99	99¾
Nor. Can. Pr. 6s, 1945	101⅝	102½
Nor. Ont. L. & P. 6s, 1946	101	101⅝
Nor. West Utilities 7s, 1938	99¼	100¼
Nova Scotia Steel 5s, 1959	68	75
Nova Scotia 6% Debs.	36	38½
Nova Scotia Tram. 5s, 1946	92¼	93½
Nova Scotia Tram. 7s, 1952	99	100½
Ont. Pulp & Papr 6s, 1931	109½	111
Ottawa Hull Pr. 6s, 1948	103½	104½
Ottawa L. H. & Pr. 6s, 1953	104	105
Ottawa Mont. Pr. 6½s, 1949	102½	103½
Ottawa Trac. 5½s, 1953	101½	102
Ottawa River Pr. 6½s, 1953	102½	103¼
Port Alfred P. & P. 6½s, 1943	101¾	102¼
Price Bros. 6s, 1943	104	104½
Prov. Lt. Pr. 5s, 1946	100½	101½
Quebec Pr. 6s, 1953	107	107¾
Rio Tramway 5s, 1935	95½	96¼
Sao Paulo Tram. 5s, 1929	98	98¼
St. Lawrence Paper, 6s, 1946	97¼	98¼
St. Maurice Pr. 6½s, 1953	108	108¼
St. Maurice Valley 6s, 1945	99¼	100¼
Shawinigan W. & P. 6s, 1950	105¼	106
Simpson's, Ltd., 6½s 1945	103¼	104
Southern Can. Pr. 5s, 1955	99	99½
Spanish River P. & P. 8s, 1941	108	110
West Kootenay Pr. 6s, 1943	104	105
West. Pr. of Can. 5s, 1949	97¼	98

Tenders and By-laws

May 17. Town of Amos, P.Q.—$38,500, fifteen year, 5½ per cent. serial debentures. Benoit Trudel, Sec.-Treas.

May 14. Parish of St. Etienne de la Malbaie, P.Q.—$25,000, serial, 5 per cent. debentures. P. R. Bouliane, Sec.-Treas.

May 16. Hamilton—$557,100, 4½ and 5 per cent., 10, 20 and 30 year.

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Belgo Paper 7% Preferred Shares.
Quebec Power Co. 6's..1953
Quebec Railway 5's....1939
St. Maurice Power 6½'s 1953
Wayagamack 6½'s.....1930
Wayagamack 6's.......1951
Montreal Tramways 5's 1941
Montreal Tramways 5's 1955
Laurentide Power 5½'s.1946
Duke-Price Power 6's..1966
Manitoba Power 5½'s..1951
Gatineau Power Co. 5's.1956
Gatineau Power Co. 6's.1941
Anticosti Corporation 6½'s...............1941
Anticosti Corporation 7% Preferred Shares
Canada Steamship Lines 6's...........1941
International Paper 6's 1955
International Paper 6's 1941

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INVESTMENT BANKERS
HAMILTON, ONT.
BRANCH: BELLEVILLE, ONT.

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WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Perth	May	Tom Farmer	5%	20-ins.	$233,690	99.96	....
Twp. of East York	May	Bell, Gouinlock and McLeod, Young, Weir	5½%	1931-39	225,000	.....	5%
Georgetown	May	Stewart, Scully & Co.	5½%	10-ins.	19,500	101.75	5.14
Moncton	May	Weldon, Midland Secs.	4½%	20-ins.	115,000	95.31	4.87
Preston	May	J. M. Scott	5 & 5½%,	10-yr.	60,811	100.75	5.06
Beaverton	May	C. H. Burgess & Co.	5½%	15-ins.	44,000	102.77	5.07
Cobalt R. C. Separate School	May	Toronto Casualty Fire & Marine Insurance Company	5%	20-yr.	11,722	100	....
Orpheum Theatre, Vancouver	May	Pemberton & Son	6½%	serial	650,000	..	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Lethbridge Breweries	May	Tull & Arden and Syndicate	7%	1937	$400,000	100	7%
Stock Issues—							
Can. Bronze Co.	May	Greenshields & Co., and Flood, Barnes & Co.	7%	Pref.	$1,250,000	100	7%
Can. Bronze Co.	May	Greenshields & Co., and Flood, Barnes & Co.	No par	com.	40,000	40	...
[illegible] Argentine & International	May	Flood, Barnes Co.	7½%	Pref.	£500,000	100	...
Alta. Wood Preserving Co.	May	O. C. Arnott Co.	7%	Pref.	$165,000	100	7%
[illegible] Power Securities	May	Nesbitt, Thomson & Co.	6%	Pref.	2,500,000	100	6%

Insurance for Buyer and Seller

FIRE INSURANCE LOSSES LOWEST FOR SOME TIME

Premiums in Excess of Payments Show Marked Increase

Losses by fire in the year 1926 show a gratifying reduction in the total amount of property destroyed, according to Geo. D. Finlayson, Superintendent of Insurance and Honorary Secretary of the Dominion Fire Prevention Association. While the decreases in losses for any one year may not appear impressive, a comparison of the losses for last year with those for 1922 shows a reduction of almost exactly 30 per cent, the change in figures being from approximately $54,500,000 to $38,500,000.

Ontario continues to have the heaviest fire losses, although on a per capita loss basis comparison with the other provinces is more favorable. There is, however, no change in the relative position in regard to fire losses, as will be seen from the following table covering the years 1926 and 1925:

Provincial Fire Losses

Provinces	1925	1926
Alberta	$ 2,284,561	$ 3,073,438
British Columbia	4,176,840	3,638,427
Manitoba	2,637,430	2,449,186
New Brunswick	1,809,150	1,679,411
Nova Scotia	2,284,150	1,828,195
Ontario	13,845,524	12,482,993
Prince Ed. Island	148,360	384,234
Quebec	9,879,870	9,845,511
Saskatchewan	3,409,790	2,714,971
Floater	236,500	198,730
Total	$40,712,175	$38,395,069

Fire Costs Still Mounting

Although there has been a reduction in the aggregate loss of property due to fire, the cost of fire to Canada has steadily risen in the past five years, from $102,599,000 to $105,097,000. This is largely due to the increase in insurance premiums in excess of losses paid, which have jumped from $16,500,000 in 1922 to $30,884,862 in 1926. Maintenance cost of municipal fire protection was also heavier, although the increase in this instance has been gradual. At the same time, installation and maintenance cost of private fire protection, has been increasing steadily. The changes which have taken place in these four items in the past five years, are set out in the following statement of fire costs in 1922 and 1926:

	1922 $	1926 $
Val. of prop. destroyed	54,390,688	38,395,096
Insurance prem. in excess of losses paid	16,529,907	30,884,862
Maintenance cost of municipal protection	23,247,950	25,970,803
Installation and maintenance cost of private fire protection	8,431,050	9,846,725
Total	102,599,595	105,097,486

Many Reasons for Decrease

The reasons that would be given for the decrease in property loss will probably vary with the particular viewpoint of the person attempting the estimate. Many will attribute it, says Mr. Finlayson, to the passing, in large measure, of the industrial and financial depression which existed in 1922, and there is no doubt much to be said for this view. At the same time, it can be claimed that the work of the Fire Prevention organizations has contributed to the improvement in the fire record, not only by their insistence on greater care in preventing fires from occurring, but also by their encouragement of better building methods and better means of dealing with such fires as do occur.

Sprinkler Systems Lower Rates

Insurance companies have continued to give a greater measure of encouragement to the installation of automatic sprinkler equipment by substantially reducing rates in the sprinklered risk class, and it is believed that so long as the experience of this class of risk continues favorable the public will be given the full benefit of their efforts to improve their own risks. Fire prevention is, after all, very largely a problem for the owners of the large properties, and the evidence is overwhelming that these large properties can be rendered practically immune from fire by an expenditure which, from the savings in insurance premiums alone, constitute a splendid investment. It is interesting to note that the volume of sprinkler installation is steadily increasing and that the record of practical immunity from fire enjoyed by properties so protected is being continued.

Loss Ratio Less Than Half

From the fire insurance standpoint, the business of the year 1926 has shown a return to normal experience and for the first time in five years, the loss ratio has dropped below 50 per cent. For the five year period the ratio has been approximately 58 per cent. Furthermore, it is noteworthy that over 70 per cent. of the fire losses in Canada last year were covered by insurance. In Ontario, insurance losses equalled 83 per cent. of the total. The position of each province in this regard is shown in the following table:

Insurance Loss to Total Loss in Each Province, 1926

Province	Total Losses	Insurance Losses	% of Total Losses
Alta.	$ 3,073,438	$ 2,266,420	74
B. C.	3,638,427	2,855,909	78
Man.	2,449,186	1,790,995	73
N. B.	1,679,411	1,080,401	64
N. S.	1,828,195	1,354,018	74
Ont.	12,482,993	10,409,949	83
P. E. I.	384,234	265,445	69
Que.	9,845,511	7,843,874	79
Sask.	2,714,971	2,042,814	75

INCENDIARISM LARGELY ATTRIBUTED TO METHODS OF PLACING INSURANCE

(Continued from page 3)

tional insurance in any other company. Failure to secure such consent should void the policy.' This would stop the crooks from securing a lot of excess insurance from different agents.

Stricter Adjustment Necessary

The loss situation has also been complicated by loose and careless adjusting. Companies have been mulcted out of millions of dollars by crooked public adjusters, sometimes with the connivance of company adjusters, and sometimes because of carelessness or incompetency of company adjusters. There has been too much liberality in adjusting losses. The local agent wants a quick and generous settlement for advertising purposes. He pushes the adjuster. The adjusters often play the role of good fellows to win favor for their companies, allowing a larger claim than warranted. Perhaps the excess is not great in the ordinary run of cases, yet it amounts to a great deal of money in the aggregate. Companies are devoting a great deal of attention to the adjusting problem and are trying to devise means of stopping the leak at this source.

I think that competitive conditions among companies have been responsible for considerable of the grief experienced. In their zeal to produce a larger volume of business, companies have instructed field men to press local agents for more business. The local agent, naturally eager for his commission, has produced all he could. These conditions do not fit in with discriminating underwriting. Careless underwriting is found to be reflected in the loss ratio.

Educate Public

The public must be educated to a proper conception of fire insurance. The average person thinks of insurance companies as disbursing agencies, giving little thought to the fact that they must collect from the public all that they disburse, plus a liberal amount for expenses of operation. He doesn't feel that he has any personal interest in the losses, unless a loss happens to hit him. The idea of fire insurance was born when a group of persons banded themselves together, agreeing that they would collectively make good any fire loss suffered by any of their number. That is the basic idea of insurance to-day. All policy holders are members of the group. Instead of taking a collection after the fire occurs, a rate is charged. This rate is based on the probable fire loss as determined from past experience. Every person who maintains fire hazards is playing unfair with the other policy holders. If people generally had that conception of fire insurance, they would realize that they have a personal interest in fire prevention and we might get more generous co-operation from the public.

It takes a jolt to arouse the public and this jolt may take the shape of a proposal to raise rates so as to make the business again profitable to the companies. I think the public will become very much interested if that proposal should be made, but I do not think that is the remedy. The remedy is for the insurance companies to adopt a program to end, so far as possible, the evils which have boosted the burning rate. Experience has shown that fire prevention efforts cannot make headway in face of insurance practices which tend to encourage fires, or at least do not discourage them. I believe the insurance companies are earnestly desirous of formulating a practical program to meet the situation.

Need is Great for Educational Publicity

By JOHN E. LANGDON.
Business Editor, The Financial Post.

Ottawa:—Sitting in on the annual conference of the Dominion Fire Prevention Association at Ottawa, one was impressed not only with the excellent work being performed by that organization, but by the need for constructive legislation and further educational work which will forcibly bring to the attention of the public the enormous damage to property and loss of life caused by fire. Since 1922, fires have cost Canada over $500,000,000, or an average of $100,000,000 a year. Accustomed as we are to thinking in millions, this loss is better realized by the fact that it is costing each man, woman and child in Canada $10 a year.

Last year 30,407 fires were reported, of which over half were caused by overheated stoves, smoking, electrical defects, defective chimneys and flues, carelessness with matches, coal-oil and gasoline, hot ashes and coals, portable lamps and lanterns, open grate fires, etc. These are all controllable factors, yet because certain people are absent-minded, or careless, others have to bear this heavy loss.

To reduce these preventable fires to a minimum, it is necessary to spread the doctrine of fire prevention to the public every day in the year, instead of setting aside one week of concentrated effort in the late fall. Unless the people are having this matter brought to their attention all the time, they become careless and the number of disastrous fires continue just as great as ever. Moreover, the provinces have strict legislation looking to the prevention of fire and the governments should see that their fire marshals are backed to the limit in carrying out their duties.

FIRE PREVENTION RESULTS SHOWN

Losses Reduced by 30 Per Cent. in Five-Year Period in Canada

Summing up fire prevention work in Canada during the past year, the annual report of the Canadian Joint Fire Prevention Committee, points to the gratifying fact that fire losses in Canada during the past five years have been reduced 30 per cent. From the peak in 1922, when the losses from fire amounted to $54,390,000, equal to a per capita loss of $6.11, there has been a steady annual reduction to $38,395,000 in 1926, or a per capita loss of $4.15. With the exception of Alberta and Prince Edward Island, each province shows a decrease in 1926 from the fire losses of the previous year, with a total decrease for the Dominion of $2,317,000.

The importance and need of adequate fire protection is further emphasized by the fact that it is in the larger towns and villages that the highest fire losses are still experienced. Last year the per capita less was greatest in towns with a population of from 5,000 to 10,000, reaching $5.32 per capita. In cities over 10,000 population the average per capita fire loss was $3.84 and in rural districts $3.11 with smaller towns and villages running $4.77 and $4.58 per capita respectively. The committee reports that in this respect, local communities are realizing the need for organizing local fire brigades, and that in many towns and cities, working arrangements are made whereby the local fire brigade will respond to calls in the country.

Analyzing the causes of fire the report shows that of the known causes of fire, 35 per cent. of the total are caused by improperly installed and carelessly heated apparatus; 15 per cent. to smoking and carelessness with matches; 8 per cent. to electricity; and 7 per cent. to lightning.

The occupancy classification of the number of fires and the percentage of loss in such occupancy during 1926 was as follows:

Group	% of Number of fires	% of Property Loss
Dwellings	61.	21.68
Mercantile stores	12.27	21.64
Farm barns and outbldgs.	11.69	14.11
Ind. and mfg. property	3.48	23.74
Institutions	1.30	2.79
Miscellaneous property	10.26	16.04
	100.00	100.00

The Committee's report was presented to the annual meeting of the National Fire Protection Association, which was held in Chicago this week. The committee consists of members from each of the following organizations: Canadian Manufacturers' Association, Canadian Division of American Waterworks Association, Dominion Association of Fire Chiefs, Association of Canadian Fire Marshals, and the National Fire Protection Association.

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There were failures, for instance, every month of the year — 270 in January, 225 in December. They happened in every industry — 98 Clothing and Millinery Manufacturers, 32 Millers and Bakers, 80 Lumbermen, 390 Grocery and Meat Dealers, and so on. They happened in all provinces — 681 in Ontario, 864 in Quebec, 124 in British Columbia, 110 in Saskatchewan. They happened to concerns of every size — from the million dollar firm down to the smallest cross-roads country store.
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Current Events in Banking World

AUDIT VALUABLE IN PASSING LOAN APPLICATIONS

Cost is Usually Worth While and Customer Should Show One

By C. PAYELL.

Many business men apparently fail to appreciate the importance of presenting their financial statements in audited form to their banker. Details of assets and liabilities, even though accompanied by profit and loss figures, are frequently insufficient to convey a true impression of affairs. The value of a reliable auditor's report containing supplementary information, with regard to the individual items forming the whole, cannot be overestimated as a means of enabling a borrower to obtain adequate banking accommodation.

Must Show Position.

One hears business men condemning the banking system; usually the disgruntled have only themselves to blame, if they are in a healthy financial condition, and nevertheless find themselves unable to command the support they consider they are entitled to receive from their bankers. If in a weak financial position, they should not expect the banks to be liberal in extension of credits, any more than they would expect life insurance companies to risks with the physically weak, and issue policies on the lives of diseased individuals. The two cases are practically parallel, although the borrowing public hardly appreciate the fact, and a lot of loose talk continues to be heard at all times, with the regard to the tightness of banking credit, and complaints are ever heard that the banks are prone to be altogether too conservative.

Nowadays, when banks are in the habit of paying stricter attention than ever to the figures contained in financial statements, relying upon them as a true reflection of individual business conditions, it is of paramount importance that borrowers should convey in intelligent and written form, the reasons for apparent weaknesses disclosed by their statements.

And it Reveals Whole Story

Figures themselves often fail to tell the whole tale and the auditor making up the statement is in a far better position to expose unrecorded facts while engaged in the work of going through the books, than is the banker who merely has set before him columns of figures. Some statements at a glance reflect strong financial positions and while an accompanying report is of great importance in the confirmation of figures, its value is limited in scope. The strong statement commands banking credit on its own merits, whereas a weak statement requires something more than the verbal explanations of the borrower to support it, and an auditor's report serves to shed new light, and brings out important factors undisclosed by the figures alone.

The customer who is asked to have his books audited, is often heard to complain of the cost, forgetting that his command of banking capital might be materially increased, resulting in larger profits, through a proper presentation of facts. For example owing to lack of adequate banking facilities such a client may be unable to take advantage of cash discounts; with increased banking support, the saving effected in this direction, would, if the business amounted to anything, usually exceed the auditor's yearly fees.

Should Cover Three Years

In the case of a customer employing for the first time an auditor, for the purpose of obtaining increased banking accommodation, it is obvious that the report should be prepared in comparative form, covering at least three years' operations.

Taking all things into consideration, it would appear to be shortsighted policy to count as too high the cost of independent audit, and borrowers who consider themselves ill-treated by their bankers would do well to experiment in this direction. In most cases the results attained, will, in the long run, amply justify the expenditure, and though an audit may not at first accomplish the full desires of a borrower, the chances of a manager obtaining ample credit on behalf of his client, are increased if the relative application is accompanied by an audited statement and report. Besides, the customer will feel that no stone has been left unturned to obtain his requirements, and the audit will prove of value as a check to the bookkeeping methods of his permanent staff.

NEW BANK BRANCHES

Five new branches were opened by the Canadian chartered banks during the month of April and only one branch closed. Following is a list of the branches opened and closed during the month:

Opened

Can. Nationale—Mistassini, Que.
Commerce—Noranda, (Sub-agency to Rouyn, Que.); Lake Alma, Sask.
Imperial—Mistassini, Que.
Provincial—West, Ont., Wyandotte St.

Closed

Montreal—Starbuck, Man.

Staff Gossip

Frederick Conrad, who has been on the Canadian Bank of Commerce staff here for the past few years, has left for Vancouver to take a position with the bank in that city.—News, Prince Rupert.

* * *

M. Kirby, who has been acting teller at the Bank of Montreal at Viking for some time, has been transferred to Coronation. Ed. Allan, ledger keeper, was promoted to teller and Mr. Otto, of Edmonton, filling the position as ledger keeper.—News, Viking.

* * *

J. E. Cornwall, manager of the Bank of Montreal, Swift Current, who leaves shortly to take over the branch of the bank at Merritt, B. C., was the guest of honor at a complimentary smoker at the Empress Hotel sponsored by the Swift Current Board of Trade, of which organization he has been a valued member for some years.—Leader, Regina.

* * *

James Moreton has come to Windsor as manager of the Canadian Bank of Commerce, Ouellette Avenue, succeeding Walter G. Lynch, recently transferred to Edmonton, Alta. Mr. Moreton has been inspector at the head office, Toronto, with special duties, for the past two years. Since coming to Canada from England, 20 years ago, he has held posts with the bank at Toronto, Dawson City, Victoria, B. C., Montreal and Winnipeg.—Star, Windsor.

* * *

Farewell was said to Walter G. Lynch, for the past six years manager of the Windsor branch of the Canadian Bank of Commerce, at a dinner in the Prince Edward Hotel, recently. More than 150 of his friends in the business and professional world of the Border Cities turned out to do honor to a man who has won the esteem of everyone with whom he has come in contact during his residence here. Mr. Lynch leaves to assume the management of the Edmonton, Alta., branch of his bank.—Star, Windsor.

* * *

R. G. Wallace, manager of the Bank of Nova Scotia main branch since 1921, has retired on a pension. His place will be taken by E. F. Macneill, who has been acting as manager for the past eight months, during which time Mr. Wallace was on leave of absence because of illness. The retired official was with the bank for 37 years. The new manager has been with the Bank of Nova Scotia since 1901, and has had extensive experience throughout Canada, Newfoundland and the West Indies. He entered the service at St. John, N. B., and before coming to Hamilton was manager of the Halifax office for about five years. Prior to that time he was in charge of branches at Victoria, B. C., Regina, Sask., and Lethbridge, Alta.—Spectator, Hamilton.

An announcement is being made of the opening of a branch of the Standard Bank of Canada at Scarboro' in the rapidly-growing section just east of Toronto, which will be known as the Scarboro'-Kingston Road branch.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities	May 6, 1926	May 5, 1927
Halifax	$ 3,450,936	$ 3,464,899
St. John	2,896,374	3,096,932
Moncton	995,331	1,056,953
Quebec	6,763,371	7,866,370
Montreal	....	174,312,722
Sherbrooke	933,289	1,270,505
Ottawa	10,369,503	9,745,684
Kingston	908,733	924,967
Peterboro'	1,036,152	986,713
Toronto	123,541,535	151,386,355
Hamilton	6,114,268	7,158,761
Brantford	1,154,837	1,195,010
London	4,254,757	3,555,306
Sarnia	510,631	662,080
Kitchener	1,172,669	1,225,048
Windsor	4,599,412	5,022,897
Chatham	904,296	666,668
Western Cities	**May 6, 1926**	**May 5, 1927**
Winnipeg	$54,635,565	$69,584,433
Brandon	635,692	664,043
Moose Jaw	1,162,671	1,480,745
Saskatoon	2,090,113	2,141,853
Prince Albert	427,860	482,012
Lethbridge	570,530	601,183
Calgary	5,481,103	7,953,941
Edmonton	7,036,882	6,164,431
Medicine Hat	356,375	341,783
N. Westminster	999,449	934,633
Vancouver	19,650,314	31,472,925
Victoria	2,806,092	2,661,085
Regina	5,169,667	4,501,954
Fort William	....	962,690

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Broken Shackles

TIME WAS, and that not long ago, when the worker was fettered to his workshop, when little groups of drab dwellings huddled around the base of every industrial building; when children were born, grew to maturity and died within sound of the clank of machinery and the insistent call of the factory whistle.

But those days are gone. Garden suburbs have sprung up in our cities and the worker leaves the scene of his toil for the healthful happiness of fresh air, sunshine and freedom, that his family enjoys all day.

Cheap transportation has broken the shackles that bound men to their work. And the transportation which accomplished the most toward this end, which is serving the greatest masses of people at the lowest cost, is the electric railway—the street car.

The electric street car has provided a dependable, comfortable and rapid means of transportation at a cost within reach of everyone. The electric radial and interurban car has linked town to town and made life more pleasant and interesting for rural dwellers.

It should be gratifying to Canadians to realize that the equipment required in these efficient transportation systems is manufactured in Canada and that the money invested by Canadian workers in this electric transportation is being redistributed to Canadian workers who produce the equipment.

The electric street car and radial car have done much to promote more healthful living conditions by furnishing inexpensive, comfortable transportation, enabling people to dwell outside of the commercial districts.

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YOUR INVESTMENTS--What to Buy--What to Sell

This New Book Will Help You Decide

The Financial Post Survey of Corporate Securities—a book of some 300 pages, dealing with more than 500 Corporations whose securities are in the hands of the Canadian investing public—will be off the press and ready for delivery the end of May. This strongly bound, well printed book is to be sold at the low price of one dollar. Only quantity production makes such a price commercially possible. The Financial Post's experience with The Survey of Mines—our reference book dealing with mining companies—shows that such quantity production is sound. At least 8,000 copies of The Financial Post Survey of Corporate Securities therefore will be printed.

But will 8,000 copies be enough? Now—a fortnight and more before the book will be bound—advance sales total over 4,000 copies. The problem is to estimate how many thousands more will be needed. Will you help us by ordering in advance? Use the coupon below and get in your order to-day. It will mean you get the early copies that come from the binder.

For six months and more The Financial Post's augmented editorial staff have been working on The Survey of Corporate Securities. Years of work studying and reviewing the companies to be dealt with is the background which makes this new work possible. But The Financial Post has not hesitated to ask the counsel and work of leaders in Finance and business and this, happily, has been gladly given.

So The Financial Post will present this new book with confidence—confidence that it will be to investors, large and small, a source of available information on companies in which they may have or may contemplate having an interest as bondholders or stockholders.

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The Survey will deal with many problems of Industrial finance that will be illuminating and helpful to the average investor. For instance, the initial chapter will deal in non-technical terms with the profitable investing of funds in corporate securities. It will show where such corporations secure their funds. It will deal with the various types of bonds and stocks, and the conditions governing each.

Other sections will deal with the various groups of corporate securities, public utilities, Industrials, Bank stocks, Real Estate Mortgage Bonds.

Still another chapter will deal with the practices of buying and selling securities. This information is of peculiar value to the small investor, who may be at a loss to understand the routine procedure of these transactions.

To Those Who Act in an Advisory Capacity

Bankers, administrators of estates and others with like obligations, are constantly being asked to advise on the value of this or that security. With this volume before them they have all the necessary information at hand for giving this service without a costly outlay of time.

To the Large Investor

Consider The Table of Contents reproduced in reduced size here—Consider the sample review of a company—remember over 500 companies are dealt with in like thorough manner—remember the carefully prepared index will enable you to find any desired information in a moment. Then decide if this book, The Financial Post Survey of Corporate Securities, will help you with your important investment problem.

One investment made or protected may make you hundreds of dollars. One dollar brings you the information that will make these sound investments possible.

The Survey of Corporate Securities will deal with every phase of each individual corporation, officers, directors, dividends, funded indebtedness, income and surplus account statements covering a period of years, capitalization, indeed every factor that makes for an absolutely complete and accurate survey of the undertaking. As such it is not only a handy guide, but a constant reference that will do away with a multitude of time-wasting files.

Bell Telephone Company of Canada

The recent decision of the Board of Railway Commissioners indicates that it is the intention of the federal authorities to allow the Bell Telephone Company to earn a fair return on its capital investment. The growth of the company has been amazing. Its growth in the future seems assured for the value of the telephone instrument to individuals or to businesses is far in excess of its annual cost. The company has never split its stock and has steadily paid its 8 per cent. dividend on its shares for many years.

During the next few years the company will probably require some $90,000,000 for extensions and improvements to its plant and equipment. A proportion of this new financing will undoubtedly come from the issuance of new stock to the shareholders at below prevailing market levels. The shareholders can therefore look forward to the issuance of valuable rights from time to time. The number of telephones will grow, first, because the number of telephones per hundred of population in the territory served by the Bell Telephone Company has reached nothing like its saturation point, and secondly, it will grow due to the natural increase in the population. The shares are, of course, a first class investment.

(Affiliated with the American Telephone & Telegraph Co.)

Company—Owns and operates the principal telephone system in Ontario and Quebec, serving a territory of 831,837 square miles, with a population of approximately 5,600,000 people. Head office, Montreal, P.Q. The company was incorporated under special charter in 1880, and has from time to time relinquished its properties in other provinces until to-day it operates only in the two central provinces. The company operates jointly with the Michigan State Telephone Co., four submarine cables between Windsor and Detroit. Interchange arrangements are made with 822 local companies, and a ten-year contract is in force between this company, The Canadian General Electric, The Northern Electric Co., The Canadian Marconi Co., the Canadian Westinghouse, and the International Western Electric Co., for the use, by all, for radio purposes, of the respective patents of each concern. The company is at present installing automatic telephones in Toronto, Quebec, and Montreal, and reported 80,000 of these in operation at the end of 1926.

SUBSIDIARIES

North American Telegraph Co., Kingston, Ont.

Farmers' Telephone Co., Howick, Que.

Eastern Townships Telephone Co., Sherbrooke, Que.

Officers—L. B. McFarlane, chairman of board; C. F. Sise, pres.; J. E. Macpherson, vice-pres.; K. J. Dunstan, vice-pres.; P. A. McFarlane, gen. mgr.; W. H. Black, sec.-treas.; E. Palm, Compt.

Directors—L. B. McFarlane, C. F. Sise, F. W. Molson, W. F. Angus, George Caverhill, John W. Ross, Montreal; Thos. Ahearn, Ottawa; Geo. H. Thomson, Quebec, Que.; Glyn Osler, K.C., and K. J. Dunstan, Toronto; H. B. Thayer, W. S. Gifford, New York.

Fiscal year ends Dec. 31. Annual report appears in Feb. Annual meeting last Thursday in Feb. Transfer agents, Royal Trust Co., Montreal and Toronto. Registrar, Montreal Trust, Montreal and Toronto.

CAPITAL STOCK

Common—Authorized, $75,000,000; issued, $48,694,600; par value, $100.

Listed on Toronto and Montreal Stock Exchanges.

The American Telephone & Telegraph Co. owns 32 per cent. of the stock outstanding. Once in 1922 and again in 1924, shareholders were given the right to subscribe for new stock on the basis of one share of new stock for every five shares of old stock held.

Dividends—8% per annum payable quarterly commencing Jan. 15.

FUNDED DEBT

Five per cent. First Mortgage Bonds Series "A."

Dated March 1, 1925; due March, 1955. Interest payable March and Sept. 1.

Authorized and issued, $30,000,000. This issue is limited to an amount outstanding not exceeding twice the amount of paid-up capital stock.

Callable at 105 between 1940 and 1951 and thereafter at par until maturity.

Secured by a first mortgage on all the company's plant and property.

Trustee—Royal Trust Co., Montreal.

Summary of Balance Sheet

	1926	1925	1924
	$	$	$
Assets—			
Fixed assets, prop., plant, etc.	114,806,469	103,293,161	89,963,999
Investments	2,579,637	2,836,997	2,317,197
Curr. assets	3,458,498	6,137,300	3,669,481
Accr. interest	42,651	25,517	15,066
Def. charges	1,054,454	1,995,594	417,226
Total	123,941,694	114,288,769	96,881,898
Liabilities—			
Cap. stock	49,060,400	48,694,400	46,684,294
Funded debt	30,000,000	30,000,000	16,750,000
Mortgages	......	......	8,491
Curr. liabs.	*9,529,849	1,807,174	1,611,741
Accr. liabs.	1,716,412	1,710,774	2,289,233
Emp. stock plan	1,423,179	1,089,217	......
Def. liabs.	941,348	851,378	801,364
Deprec res.	25,883,116	23,296,999	21,372,255
Res. for amort.	38,358	32,730	......
Prem. on cap. stock	1,979,173	1,340,548	1,336,378
Corp. surp.	3,349,868	4,965,364	4,927,349
Total	123,941,694	114,288,769	96,881,898
Working cap.	x5,071,347	4,330,626	2,058,740

x—Excess of current liabilities over current assets.
*—Including $6,000,000 of bank loans.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1926	1925	1924	1923	1922	1921	1920
	$	$	$	$	$	$	$
Gross Earnings	28,460,923	26,168,977	24,208,411	22,225,714	20,245,823	18,830,720	16,789,642
Less Oper. Expenses	23,486,142	20,271,030	18,671,615	16,886,632	15,526,666	16,007,193	15,684,869
Net Earnings	4,974,781	5,897,947	5,536,796	5,339,082	4,719,157	2,823,527	1,104,773
Less: Uncollect. Revenue	143,075	114,686	108,657	89,435	51,690	37,500	60,000
Taxes	1,084,000	1,091,066	1,032,482	982,226	821,357	586,000	734,769
Rent and Miscellaneous	123,737	114,089	95,189	86,018	85,270	81,244	†....
Bond Interest, etc.	1,791,970	1,485,565	1,252,854	1,067,176	1,035,644	1,168,861	912,494
Net Profits	1,831,999	3,092,551	3,047,614	3,114,083	2,725,196	940,922	x602,411
Non-oper. Revenues	633,877	787,903	719,482	685,796	208,472	166,637	571,450
Net Income	2,465,876	3,880,454	3,767,096	3,809,869	2,933,668	1,107,619	x31,961
Less Appropriations—							
Dividends	3,906,802	3,889,166	3,215,039	3,135,921	2,457,740	1,883,630	1,309,010
Employees' Benefit Fund	......	......	......	200,000	......	......	......
Corporate Surplus	x1,440,926	x8,712	552,057	474,036	475,928	x776,011	x1,331,971
Time Interest Earned		3.61	4.01	4.57	3.88	1.96	0.97
Dividend Record and Earnings on Capital Stock—							
Earned	$5.05	$7.90	$8.97	$9.85	$8.68	$4.72	...
Paid	8	8	8	8	8	8	8
Stock Range—							
Common, high	142⅛	144¼	140	128¾	120¼	112	111¾
Low	136	132⅜	124⅛	112	103	99¼	100

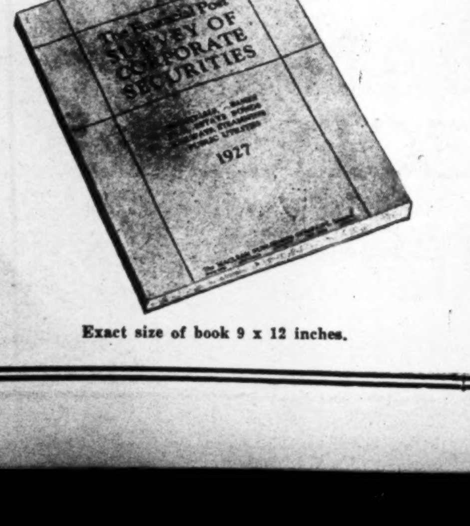
x Deficit. †Included in expenses.

Typical review of a Canadian company with large investment interest—Over 500 companies are covered in similarly complete way.

An Invaluable Aid to the Small Investor

The average investor, the man with a few hundreds to invest each year has, as a rule, no record files to rely upon. He is not always in a position to do the best for himself, because his investments are, too often, the result of a somewhat haphazard decision, word of mouth hints, that this or that is a good buy. The advice may be good, or it may be that the moment for purchase has passed. Conditions in the industry may have made that suggestion of doubtful value. With this volume before him, he has virtually all the data that is available for anyone. The chance hint can be checked and verified, without costly delays, and with the assurance that the information on which he is basing his judgment is indisputable.

There are factors about many investments that do not always appear in the newspaper comments on these securities. Perhaps it is preferred stock that can be advantageously exchanged for common. Or perhaps the preferred is callable at the discretion of the directors. Your lack of knowledge on such points may mean that you have lost an opportunity for profit, or for the betterment of your investments. Every qualification of this nature affecting corporate stock is duly noted in this survey. To have it in your possession is to have the whole story at your fingertips. Surely you can make tangible use of such information.



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Canadian Mining News

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XXI. 10c. a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, MAY 13, 1927 Member of Audit Bureau of Circulations No. 19

High Values Reported on Two Harvie Groups

Ringrose Gold Content Over $6; Harvie Copper $22 Per Ton

CHANGES PENDING

Stock Split on 5 to 1 Basis Coming—Shares Are Traded in at Montreal

An analysis of the position of the Harvie Mining Company stock, now traded in on the unlisted section of of the Montreal curb market makes interesting reading, in view of the pending stock split and amalgamation. Quite heavy trading has taken place in the shares of late.

With an authorized capital of 200,000 shares of no par value approximately 45,000 shares then valued at $5 were paid or set aside for property purchases. These were made at a very low valuation, not one share being used for promotion purposes.

Of the balance, 114,000 shares were allotted for treasury purposes, partly to the original shareholders at $5 per share under a special option arrangement, while the balance was sold to the public on a basis which gave the treasury the benefit of an advancing market; the treasury receiving, and to receive as a result of these financial arrangements, approximately, $650,000. With the recent completion of financing on this basis, the company is able to maintain its present great scale of exploratory operations for over two years without additional financing. It is understood, however, that this financing is intended only to bring each of the mines to a producing point when an operating company will be formed, and financed to operate them.

Archean Amalgamation

Under the recent arrangement with the Archean Board, 26,000 shares with a valuation of $20 per share have been set aside for the absorption of all the Archean properties, making a total of 185,000 shares issued or contracted for.

At the present market price in the neighborhood of $15 per share this means an estimated value of $2,775,000 on four probable mines backed by enough money to bring them all into production.

How conservative this valuation is may be judged from the fact that each one of the four mining operations is on a situation which if financed in the ordinary way would be capitalized at from two to five million dollars or at least, $10,000,000 for the four.

It was this fact which prompted the directors to decide to give the shareholders the benefit of the situation with a stock split of five shares of $5 par value for each present share or $25 in stock for each share now held.

Some Profit Taking

There has been during the past few months a period of profit taking, during which there has been a recession from the high levels this stock has attained, but there is every ground for the belief that the market has been pretty well cleared of profit taking and the stock, having been seized upon for trading, is being pointed to by some brokers as due for a sharp swing upward in order to take advantage of the split.

The personnel of the new Board is a strong one. It has not been publicly announced as yet, however.

Meanwhile some rather startling developments have taken place at the property.

High Gold Values

The outstanding feature has been the obtaining of gold assays from the Ringrose shaft at a depth of 40 feet. The general field report gave assays at surface of $4.80 in gold and silver, or a total of $24.80. In this case the values in precious metals was regarded as having particular significance in view of the fact that since the Noranda ores showed a precious metal content sufficient to pay smelting charges, the general hope of every operator in Northern Quebec has been to find similar ones, mostly without success. In several points on this property, precious metal values were secured, but in this case the result was sufficiently striking to prompt the sinking of a shaft. This would have been justified in any event but it was particularly desirable to confirm the existence of precious metal values. The assay at 40 feet gave $6.12 with the general character of the ore showing a marked improvement over surface conditions. The shaft has now obtained a depth of 50 feet.

This result is the more important because of the fact that it occurs in and is the first development of a "gossan" zone of quite unusual dimensions approximately 3,000 by 500

(Continued on page 18)

Will Soon be World's Second Gold Producer

London Statist, reviewing World's Gold production for 1926, says Canada did not realize expectations last year. A yield of between 2¼ and 2½ million oz. was anticipated, but, in fact, there was a slight falling off as compared with 1925. The general tendency is still upward, however — the production has more than doubled since 1920—and it cannot be long before Canada takes second place among the world's gold-producing countries.

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Striking Advance in Promise and Value, is View on Central Man.

Sir Lionel Holland, presiding at Mysore Gold Mining Co. meeting in London, in discussing Central Manitoba Mines said, The Central Manitoba Mines (in which they were interested through their large holding in Anglo-Canadian Explorers) had made a striking advance in promise and value, and had definitely passed beyond the exploratory stage. The developments had justified a mining programme and the erection of a mill and treatment plant. That company owned about 1,500 acres, with an extension of some 2½ miles along the "Wad" lode.

"BLAZING THE TRAIL FROM PROSPECTOR TO INVESTOR"

Practical Knowledge *plus* Science

IN their articles in The Financial Post, Dr. W. L. and W. M. Goodwin point out that as scientific research is the only sure basis for industrial progress, so scientific prospecting pays. They also emphasize the need of practical knowledge.

Both requirements are met by this organization. Those interested in making an investment in the search for mines may depend upon our prospecting service—it is just such a combination as suggested by Dr. Goodwin.

From an article by Dr. W. L. and W. M. Goodwin in The Financial Post.

A good deal could be done by having parties of prospectors under the direction of an engineer in the field, who could manage a good many small parties. He would always be available for consultation and for the examination of specimens collected by the prospectors. He could also inspect the area in which a party was prospecting and suggest good places. To be suited to this work the engineer must have the natural ability and experience of a good prospector.

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STORY OF CANADA'S RESOURCES OPENED EYES, SAYS PAPER

Scranton Times Comments on Dominion's Mines, Paper and Power

HEARD C. T. YOUNG

Possibilities for Speculative Profit in Dominion Are Outlined at Length

"A real insight into the tremendous development that is going on in the gold, nickel, copper and other mining, and also pulp and paper, and electric power development in Canada," is the way Scranton Pa. Times refers to a recent address of Cyril T. Young, delivered at that point recently. Mr. Young has delivered innumerable addresses on various parts of Canada, and recently several of strategic points in the U.S., all dealing with the possibilities for capital in the development of Canada's natural resources. The Times says further of his address,

"It had not been brought home to this part of the United States the change that is occurring in Canada, which has heretofore been looked upon largely as a wheat growing country, that water power, pulp and paper and mining development was since the war creating an entirely new situation.

"With facts and figures from memory, Mr. Young showed that our neighbor to the north was not only our best customer through purchasing $700,000,000 yearly, but that investment in Canada unquestionably does more to better our trade conditions on this side of the border than our investment in distant foreign countries could possibly accomplish.

"The lure of gold which built up California, South Africa and made such remunerative investments in Alaska as Treadwell and others, was none the less in the new country north of Toronto and Montreal as proven by the fact that whereas fifteen years ago northern Ontario only produced $42,000 in gold, yet last year it produced $30,000,000. He said within two years Canada will exceed the total United States gold production, as last year the production of Alaska, including Klondyke, amounted to $6,300,000 and California $13,000,000.

The last point Mr. Young stressed, telling the Kiwanis Club members, of the fairness of the laws of the Dominion under which Canadian ventures in which they might place their funds, operate.

RE-OPEN NIGHT HAWK MINE ABOUT MAY 15

Plan of Philadelphia People is to Carry Shaft Down to 1,000-ft.

MONTREAL—Night Hawk Peninsular Mines will resume production, according to information reaching The Financial Post. Six or eight men are now working at the mine, doing minor work—fixing the telephone lines to Connaught. Work is expected to start on May 15, although some preliminary work must be done, such as changing over motors and transformers. The present installation, which is sufficient for pumping water, will not be sufficient to run the compressors until the change is completed.

The Financial Post is informed by good authority, that Philadelphia interests are behind the new operation on Night Hawk Peninsular Mines, and are going to spend $100,000 under the present arrangement. Chas. Spearman, B.Sc., Montreal, will have charge and the plan is to carry the shaft down to 1,000 ft.

Will Demand Accounting From Oil Co. Directors

P. F. Patterson, appointed receiver for the Alberta Petroleum Consolidated, Ltd., by Alberta Supreme Court, will demand an accounting of the affairs of the company from the former directors. Considerable audit work has been done on the available books of the company collected from various resources and these are forming the basis of an exhaustive investigation. The old board disposed of the company.

U.S. Gold Production in 1926 Lowest Since 1895

Gold production in United States in 1926 was the lowest since 1895. The total is below $50,000,000. The peak was in 1915 when the $100,000,000 mark was passed. California, Colorado, and Alaska, the big producers in 1915, show heavy falling off.

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Will International Nickel's Market Action Copy Smelters?

Balance Sheet of Smelters and Nickel Are Strikingly Similar

LIABILITIES

	Smelters		Nickel	
Capital—				
Preferred	....	....	$ 8,912,600	$ 8,912,600
Common	$15,000,000		50,000,000	....
In treasury	2,294,475		8,165,400	41,834,600
Issued	....	12,705,525	....	50,747,200
Notes	....	....	....	2,300,000
Prem. on shares	....	2,294,520	....	....
Sundry creditors ac/cs.	....	4,710,509	....	1,906,001
Dividend and appr.	....	10,583,076	....	133,861
Reserves	....	9,633,515	....	811,630
Contingent liabs.	....	1,750,000	....	....
Profit and Loss	....	20,751,373	....	16,680,482
		$43,921,990		$72,580,174

ASSETS

	Smelters		Nickel	
Property a/c.	10,221,708	....	65,219,783	....
Depletion	523,881	9,699,827	3,737,787	....
Plants	12,749,692	....	....	....
Depreciation	1,354,232	11,395,460	9,858,662	53,424,609
Investment Bonds, Loans	....	12,695,692	....	5,441,980
Inventories, Etc.	....	7,283,658	....	9,701,477
Advances	....	109,747	....	129,758
Accts. Rec.	....	1,643,191	....	2,867,418
Cash	....	1,050,823	....	960,687
Sundries	....	45,592	....	54,246
		$43,921,990		$72,580,174

Surpluses, Twelve and Sixteen Millions

	Smelters	Nickel
Gross production	$37,486,911	*$8,195,141
Other revenue	479,173	167,621
	$37,966,084	$8,362,762
Less ore on hand, bot and costs	23,050,821	1,171,479
Emp. pension	100,000	......
Year's profit	$13,915,262	7,191,283
Balance forward	8,723,975	15,302,093
	$22,639,237	$22,493,376
Tax provision	1,887,864	....
Dividend	5,078,493	3,881,524
Prop, etc.	2,274,772	....
Cont. res.	1,000,000	296,353
Surplus	$12,398,208	$16,680,482

*Operating profit.

Developments on the Frood Mine Have Awakened Great Interests in Possibilities

HISTORY SIMILAR

Following War, Shares of each Fell Off—Big Developments in Both

Will International Nickel develop a market similar to that of Consolidated Smelters?

There are many who think so.

It would be a decidedly interesting development.

Following the war, when the demand of nickel for armaments, and the war demand for base metals, eased, the output of these two large mines fell away off, as did also their income.

Smelters and nickel stocks sagged. It is only a few years ago that both were going begging on the market, Nickel at $11 and Smelters $12, both of $25 par value.

Since then, on the wonderful development of Sullivan mine, Smelters has sold up above $265 per share. Nickel, by developing new uses for nickel, has gradually recovered and has hovered around 40 for some considerable time until recently. Then the news of the development of the Frood copper-precious metal mine leaked out, and last week it sold to above 60, and is now being accumulated around 57 and 58.

It is also interesting that two big mines are at the back of the advance in each stock.

Sullivan mine of Consolidated Smelters is the world's largest lead-zinc-silver mine, having tremendous known resources and great possibilities for further exploration.

Nickel has two great mines. Creighton is undoubtedly the greatest nickel mine in the world, and carries good copper and platinum values. Now comes the Frood, with a big copper mine, high grade, and carrying remarkably high precious metal values, with a conservative ore content, base and precious metals down to 2,000 feet of $1,000,000,000.

Creighton mine has 100 years nickel supply.

One guess is as good as another as to the value of the ore reserves of either the Sullivan, Creighton or Frood. They are all base metals, and subject to the ups and downs of the base metal markets, Sullivan is believed to have proven something like $130,000,000 in ore. This figure is not hard to accept as conservative when one seees the mine.

Consolidated Smelters at Trail has the greatest non-ferrous metal enterprise in the world, combining as it does, copper, lead, zinc, antimony production, as well as gold and silver in one single plant.

Nickel has the greatest smelting plant for nickel operation in the world at Coppercliff and a tremendous refinery at Pt. Colborne. Now it will add a large electrolytic smelter and refinery at Sudbury, for the production of copper on a large scale.

One could go on drawing contrasts between these two ventures. Both are in remarkable strong financial position. Each enjoying a strong liquid position, with plenty of working capital, as the table attached shows.

They differ in two essentials, earnings and capital structure. Smelters wiped off its bonds, leaving the common shares supreme, Nickel still has a preferred issue standing ahead of the common.

As the reports of the two companies for 1926 appeared almost simultaneously, comparative figures in so far as it is possible to make them compare may be of interest. See the table adjoining.

Organized Prospecting Important in Mining

Prospector Whose New Finds Are Essential to Progress of Industry Has Been Left Pretty Much to Himself in the Past

Sixth of a Series of Articles on the Prospector and Prospecting.
By DR. W. L. and W. M. GOODWIN.

VI. Organization of Prospecting

In developing the mineral resources of a country there are four factors at work, all of importance and all essential in the organization of mineral industries. They are (1) the prospector, (2) the development company, (3) the mining company, and (4) the investor.

It is proposed to discuss in this article the place of the prospector in this organization. It is obvious that the prospector's work, the discovery of mineral deposits, is of first importance, and that without his search for new deposits, the industry would languish and die. In the light of this patent fact it is astonishing how little care has been taken by the other parties to insure an adequate support for the prospector. He has been left pretty much to shift for himself, and it is only of late that a system has begun to grow that recognizes him as a partner in a great organization.

The search for the buried treasure requires a combination of qualities not often found in one man. These characteristics have been fully discussed in a previous article, and may be summed up here in order to emphasize their necessity. Optimism tempered by good judgment, resourcefulness, patience, industry, and a love for the free roving life,—these make the disposition of the prospector. To these must be added the quick eye for "signs," ability to take care of himself under all circumstances in the woods, and such knowledge of rocks and minerals as will be useful to him in the search. Reliability is a prime requisite. In choosing a prospector, those who are backing him with their money should inquire into his character with at least as much care as they would use in any other business.

Parties of Two Best

The experience of the writers is that in the organizing of prospecting, large parties do not work as well or prove as fruitful as parties of two. The party of two may be made up of an experienced prospector and a capable assistant, who should be chosen by the prospector, so as to have the best chance of that compatibility without which the close, daily association becomes intolerable.

A great deal of the best prospecting is done by the independent prospectors. They sometimes work alone, but generally in pairs. There will always be such men who will prefer to keep outside of any organization, financing themselves so that when the lucky strike comes, they will have it all to themselves. But as the business becomes better organized, the independent prospectors are apt to become fewer. This will result from a change in the attitude of the large companies that employ prospectors. Very few of them formerly offered terms acceptable to the best prospectors. The companies did not care to give prospectors a share in discoveries made, and in this mistaken policy they took away the factor that makes the occupation interesting in spite of its frequent hardships and disappointments.

Must be Partnership

The fundamental principle in the organization of prospecting must be that of partnership. The hired man idea will not work when applied to this business. In this partnership the investor supplies the money for expenses, and the prospector does the work. That is the old plan of grubstaking. If something valuable was found the prospector and his grubstaker shared the proceeds in some proportion agreed upon, such as fifty-fifty. But under this arrangement, the prospector, at the end of a season's work, might have nothing to carry him through the winter, and there was always the problem of supporting his family, if he had one. A lucky strike solved all such problems, but lucky strikes are often long deferred. The arrangement is obviously not a sound basis for the permanent organization of the business. As in any other business, the man who does the work is entitled to a good living out of the business. But on this basis he must not expect to get such a large share of the profits.

Room For All

Several of the large mining companies now send out prospecting parties on this basis, paying their prospectors fair salaries and agree to give them a small share in any discoveries made. The question has been raised whether it is wise for mining companies to engage in prospecting. It has been urged that they should confine themselves to development of mines and mining. There might be some force in this contention if the field were at all constricted, but with the great spaces open to prospecting in Canada, there is room for all or-

(Continued on page 20)

B.C. Mining Stocks

Special wire to The Financial Post.

Vancouver stock exchange prices for the week, with Wednesday night"s close. follow:

	Week	Range	Week	close
Lucky Jim ...	21	2½	20¾	22
Independence .	9½	9⅝	9¼	10
B. C. Silver ..	1.75	1.75	1.75	1.75
Inter. Coal ...	..	...	23½	25

Lucky Jim was in good demand on all breaks. The rest of the market was quiet.

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ONTARIO SENDING NINE GEOLOGICAL PARTIES TO FIELD

Base Metal Study to Feature Work of Government Staff This Summer

Ontario Government Geological staff faces a hard summer. Nine parties will be in the field, checking up on active areas. The list attached shows a wide coverage of the newly active sections, practically all the new areas except perhaps Munro township and Kamiskotia, being included:

The parties are:
Woman Lake, E. L. Bruce (Queens).
Lake Savant, Dr. E. S. Moore (Varsity).
Beardmore, G. B. Langford.
Sault Ste. Marie, M. E. Hurst.
Kirkland Lake, E. W. Todd.
Larder Lake, north, T. L. Gledhill.
Mattagami-Abitibi, W. S. Dyer.
Sudbury, A. G. Burrows, (Porcupine Geologist).
Lake Shebandowan, R. J. Watson.

Special significance attaches to some of these parties. Rich ore discoveries of Woman and Narrow Lakes and the possibilities of quite a large camp, is the reason for sending the Bruce party into this area.

Not much is known of Lake Savant, but it has possibilities of both lode and placer gold mining.

Beardmore section looks attractive for gold, while in The Soo section, interest surrounds lead-zinc possibilities, much the same as in the Chelmsford area. The chief geologist, Alfred G. Burrows, is going into the Chelmsford section. E. W. Todd will finish up the Kirkland Lake study and T. L. Gledhill will look into the base metal possibilities north of Larder.

W. S. Dyer, a paleontologist, who reported on the Minto Coal basin in N.B. is going up the Mettagami to look for an extension of the cretaceous rocks. It is in this formation that Alberta coal is found, and Ontario would like to know if there are not good chances of getting coal in this section.

Lake Shebandowan area has nickel possibilities. Old Huronian mine is being re-opened, and interest in this section is being revived.

Granada Cut 5 Ore Lenses in Sinking Shaft

Granada mines, N. W. Quebec, has its shaft down 180 ft. A station was cut at 125 ft. and when 250 ft. is reached levels will be opened simultaneously. This should start about May 20, as there are three shifts working on the shaft. Sinking to date has cut 5 lenses of ore, all between 80 and 100 ft. horizons and showing gold values more spectacular than the surface.

SENECA OILS OFFERED

Seneca Oils, a new Alberta issue, being partly financed in Montreal, is a new venture of the Cloakeys, of Calgary. They are among the Alberta oil pioneers and associated with some of the best companies.

Seneca well No. 1 is now down below 2,000 ft. and if it is a success 3 more acres will be drilled all in Turner Valley. The company has a strong board and skilled technical advisers, Messrs. Pearson & Davies, Calgary.

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LAncaster 0277

New Government Map Covers Important Townships

"The recent map published by the Ontario Department of Mines, covering Carscallen, Bristol and Ogden townships, west of Porcupine, should be of great value to prospectors. The map, showing the geology of the three townships, accompanies a report on the district by J. E. Hawley. It is No. 350, There is likely to be quite an extensive demand for the maps and reports. The most important discovery in the Carscallen township district is that on the Beanland-Hurst properties. Arrangements have been made for a diamond drilling campaign on these claims by the Wynchalit Syndicate of Montreal." (The Northern Miner).

For information regarding above write

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HIGH VALUES SECURED ON TWO HARVIE GROUPS IN NORTH-WEST QUEBEC

(Contniued from page 17)

feet, the mere extent of which indicates great and widespread mineralization. In this occur the heavily mineralized quartz vein in which the shaft is being sunk, and now that the ground is clear of snow, an intensive program of trenching will be undertaken to determine the length of the vein as there are outcrops which indicate a much greater length than has been definitely recorded.

Harvie Operation

The work on the Harvie was somewhat delayed by the necessity of installing a ventilation system. The main adit and drifts constitute over 500 feet of workings which have to be cleared of powder fumes after each blast. This equipment will reduce the time of clearing from two hours to ten or fifteen minutes.

In the last bulletin, Dr. Harvie referred to a report of a discovery in the adit, and this has been confirmed as a strong body of over four feet in width from which character samples give copper values of $22 per ton. The nature of the deposit as so far disclosed, makes this a most satisfactory result. It is significant that the further progress of the adit beyond this point is disclosing much more mineralization in the rock intervening between the deposits, and this taken in conjunction with the discovery referred to, confirm the original belief that a series of parallel bodies is likely to be cut.

Archean Shaft

A station is being cut at the 125 foot level ir. the Archean shaft. This station involves a space large enough to permit rails for the ore cars and other equipment to be conveniently handled. Following this essential, but slow work the drift into the ore will be started. It was previously announced that this drift would be carried into the Thompson group adjoining, and that the Thompson shaft would be sunk on a vein to the west.

It is announced that a set of maps and photographs is being arranged and will accompany next week's bulletin. Also that special railway arrangements are being made to enable the directors and as many shareholders as possible to visit the property in a group, leaving Montreal about May 26. The approximate cost of the trip is $45 plus such meals as are consumed on the train. An early indication of the number who would care to take this trip would be appreciated.

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Heavy Increase in Trading Shown by Figures of Vancouver Stock Exchange

A comparison of the number of shares sold on the Vancouver Stock Exchange between the first four months of 1926 and the first four months of 1927, prove an interesting study and indicate in uncertain terms, the tremendous interest taken by the general public in the mining, oil and industrial activities within the province of British Columbia, as well as in the shares of the companies, whose properties are located elsewhere. The figures as prepared by Sect. F. G. Davidson, are as follows:

1926	No. of Shs.	Market Value	1927	No. of Shs.	Market Value
MINES					
January	423,727	$117,612.85	January	932,342	$ 246,852.66
February	597,779	179,699.86	February	833,557	219,888.57
March	882,063	182,885.75	March	1,819,837	424,585.15
April	669,299	150,620.58	April	1,591,640	497,663.32
	2,572,868	$630,819.04		5,177,376	$1,388,989.70
OILS					
January	1,854,005	$ 29,844.02	January	440,311	$ 26,376.51
February	1,219,915	18,194.99	Feruary	1,382,552	14,694.27
March	1,196,485	42,638.02	March	544,500	21,610.20
April	847,530	32,905.65	April	1,034,350	54,334.37
	5,117,935	$123,582.68		3,401,713	$ 117,015.35
INDUSTRIALS					
January	none	none	January	78	$ 8,720.18
February	none	none	February	375	59,735.60
March	none	none	March	81	10,785.45
April	none	none	April	57	8,040.60
				591	$ 87,281.83
Total No. of shares	7,690,803	$754,401.72		8,579,680	$1,593,286.88

MINING STOCK QUOTATIONS

Week Ending May 10

	Par. Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Close May 10	Sales for wk.	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low
Amulet	1	...	...	1.30	1.07	1.30	160613	2.98	.90	2.89	.85
Algonquin	1	...	...	3	2½	3	27700	6¼	1¼	5¼	2
Apex	1	...	...	....	..	..	....	6	2¾	3½	2
Area	1	...	...	27	23	26	86300	1.55	.21	1.95	.23
Argo. Con.	1	...	...	59	46	51	607038	67	18½	59	33
Atlas	1	...	...	5¾	5	5¾	57150	5	1⅝	7	2
Abana	.	...	...	32	31	32	3000	..	..	35	20
Aconda	.	...	...	25	23	23	2000	..	..	45	20
Ajax	.	...	...	30	26	30	5800	..	..	39	6½
Amos	.	...	...	....	..	..	....	..	..	56	15
Archean	.	...	...	18	17½	18	135	..	..	18	17½
Allied M.	.	...	...	5.50	3.00	5.00	3250	..	..	5.51	2.70
Baldwin	1	...	...	2½	2⅛	2¼	13500	6⅞	1	4¾	2⅛
Barry Holl.	1	...	...	41	32	34	238000	1.00	.21	1.00	.36
Beaver	1	...	...	1.19	1.04	1.17	138300	.99	.51	1.19	.59½
Bellellen L.	1	...	...	5	4	5	1000	23½	20	23½	3½
Bidgood	1	...	...	10½	9¼	10	34200	9⅝	4½	12	5
Boston Creek	1	...	...	....	..	..	....	7½	2½	1	½
Bourlamaque	1	...	...	....	..	..	....	1.45	1.02	1.53	.50
Buckingham	1	...	...	5	4	4⅞	10000	7¾	2	9½	4
Bard	.	...	...	1.43	1.28	1.31	10350	..	..	1.50	.30
Boischatel	.	...	...	7	6	6	8500	..	..	27	6
Bunker	.	...	...	78	75¾	77	34	..	..	78	75¾
Calartic	.	...	...	....	..	..	....	..	..	1.00	.94
Capital R.	.	...	...	....	..	..	....	43	26	54½	15
Can. Lorrain	1	...	...	27	26	26	9700	93	57	72	22½
Capitol S.	1	...	...	21½	21	21	12500	48½	24	34	20
Castle Tre.	1	...	...	93	83	85	36100	1.85	.91	1.27	.83
Chaput H.	1	...	...	12½	10	10½	156750	22	3⅛	13¾	4⅝
Clifton	1	...	...	1	1	1	5000	6½	1	2	1
Coniagas	5	...	...	3.95	3.50	3.50	1510	4.85	3.00	4.40	3.41
Coniaurum	5	...	...	3.50	3.40	3.50	650	4.60	3.00	3.50	2.80
Col. Kirk.	1	...	...	4⅞	4	4	134400	6¾	2	6	2
Cons. Smelter	25	10	0.99	256	250	251¼	8584	265	177¼	264	242
C. W. Dome	1	...	...	10	8½	8¾	101456	29½	14	19	7
Crown Res.	1	...	...	11	9¾	10½	37500	24⅛	8	15¼	7
Central Man.	.	...	...	1.90	1.42	1.85	120830	..	..	1.90	1.07
Corona	1	...	...	17¼	14	14⅝	100900	37½	20	37	11¾
Copper Hill	.	...	...	55	50	53½	38500	..	..	55	49
Comm. Mines	.	...	...	1.04	.81	.98	47350	..	..	1.04	.71
Davidson	1	...	...	1	1	1	1500	3	1½	3	1
Dome Mines	None	$1	11.76	8.70	8.50	8.50	2575	20.00	8.00	10.85	7.50
Don Rouyn	1	...	...	35	27½	34	125750	61	25	56½	17½
Duprey	.	...	...	....	..	..	....	..	..	10	10
Duprat	1	...	...	10¼	7½	8	184050	35¼	8½	34½	7½
Destor	.	...	...	....	..	..	....	41	40	43	40
Dubec	.	...	...	70	60	67½	92250	..	..	70	35
Dom. Lead	.	...	...	1.19	1.11	1.16	10300	..	..	1.19	1.05
Everett	1	...	...	3½	3	3	9500	12¼	3¾	5½	3
Fiske	.	...	...	10½	10½	10½	1000	16	12	30½	10
Fisher, Que.	.	...	...	75	74	75	1700	..	..	85	74
Goldale	1	...	...	27	26	26½	17150	43	24	30	20
Gold Hill	1	...	...	38	31	35	104550	73½	25	54	31
Gold Reef.	1	...	...	1¼	1¼	1¼	1000	5	1	2½	1
Gifford	1	...	...	....	..	..	....	..	..	1¾	1
Gladstone	.	...	...	....	..	..	....	..	..	29	27
Grover Daley	.	...	...	11¼	9¼	10½	85450	32	18	37	9½
Harvie Explor.	.	...	...	13	12¼	13	2650	..	..	16	12
Howey Gold	1	...	...	75	55	65	44950	..	..	75	42
Hill Top	1	...	...	14	12¼	14	6000	31¾	20	24	12¼
Hollinger	5	26	6.27	21.00	20.60	20.70	22203	21.00	16.65	22.65	20.00
Haultain	.	...	...	....	..	..	....	..	..	15	14
Hillcrest com.	100	6	10.00	60	60	60	25	65	55	65	60
Do., pref.	100	7	8.23	85	85	85	60	83	79½	87	84
Indian	1	...	...	9½	7¼	8¾	25000	14½	2¾	11	4
Int. Nickel, c.	None	2.00	3.50	59½	57	57½	46741	46	32½	60¼	38
Jay Copper	.	...	...	....	..	..	....	1.10	.73	1.26	1.04
Keeley	1	24	18.46	1.37	1.30	1.30	8600	1.90	1.39	1.66	1.30
Keora Mines	1	...	...	4¾	4	4¼	9500	22	11	13½	4
Kirk. Hunt.	1	...	...	25	22	24	155150	34	8½	35	14
Kirk. Lake	1	...	...	1.54	1.33	1.46	563210	1.44	.69	1.54	.82
Lake Shore	1	40	1.95	21.10	19.20	20.45	22915	16.15	9.50	21.10	15.40
Lakeside	1	...	...	2	1½	1¾	39500	10	1⅛	6	1½
Laval	1	...	...	27	25	25	61800	45¾	21	55	20
La Rose	1	...	...	8	8	8	1000	39	4	12	7
Lorrain	1	...	...	....	..	..	....	15	2	3¼	2
Lorrain T. L.	1	...	...	.41	.21	.41	600	1.10	.30	.41	.25
Lucky Jim	.	...	...	....	..	..	....	..	..	21	20
Marclay	1	...	...	....	..	..	....	35	30	42	34½
Macassa	1	...	...	36	26	36	209050	43	25	37	22
McKinley	1	...	...	17	16	16	24775	26	8½	17½	11
McIntyre	5	20	3.86	26.25	25.53	25.90	7720	29.75	22.70	27.50	24.00
Millcrest	1	...	...	6	5½	6	22300	21½	3½	6½	4
Mining Corp.	5	12½	...	3.55	3.40	3.49	16685	4.45	2.60	3.65	2.90
Moneta.	1	...	...	10	10	10	10000	18	11	14	8¾
Montreal Rouyn	1	...	...	16	11	15	77700	60	13	33	10
Noranda	None	...	...	23.12	22.25	22.65	44456	24.75	12.00	24.10	19.95
Newray	1	...	...	....	..	..	....	45	31	34	28
Night Hawk	1	...	...	8¼	7	7	52400	17	3¾	10½	4½
Nipissing	5	12	10.00	6.60	5.90	6.00	18240	9.25	4.95	10.30	5.90
North. Amer. Lead	.	...	...	2.36	2.25	2.28	51080	1.75	1.50	2.36	1.71
Ontario	.	...	...	1.16	1.12	1.14	5800	..	..	1.16	1.03
Ophir	1	...	...	....	..	..	....	4¼	½	4⅝	1¾
Osisko	.	...	...	80	58	60	76450	1.94	1.05	1.75	.40
Pete Lake	.	...	...	....	..	..	....	..	..	..	..
P. L. Cobalt	1	...	...	....	..	..	....	32	14½	18	6
Porc. Crown	1	...	...	7	6½	6½	22500	12	4	11	6
Pioneer	1	...	...	97	88	88	10700	1.22	.66	1.18	.86
Premier Gold	1	32	15.30	2.10	2.00	2.09	21160	2.75	1.83	2.30	1.86
Preston	1	...	...	4	3½	3½	1200	9⅞	4	6	3
Potter Doal	.	...	...	35	29	29	92850	..	..	65	29
Power & Mines	.	...	...	1.62	1.50	1.60	12300	..	..	1.62	1.00
Quebec Prov.	.	...	...	....	..	..	....	..	..	6.00	3.95
Ribago	.	...	...	19	15	16	17350	..	..	87	15
Rouyn	1	...	...	2¼	2¼	2¼	1500	9	1⅞	5	1¼
Rouyn, Que.	1	...	...	....	..	..	....	4½	1¼	4⅜	1½
Siscoe	.	...	...	....	..	..	....	..	..	20	12
South Keora	1	...	...	15	12	15	9500	35½	5	64½	10
Stadacona	1	...	...	20	17¼	18¼	135800	51	40	55	13
St. Anthony	.	...	...	37	33¼	33½	19750	..	..	37	10
Sylvanite	1	...	...	3.90	3.70	3.90	5550	..	..	4.30	2.60
Teck Hughes	1	10	1.26	8.10	7.05	7.94	163810	5.55	2.64	8.10	5.35
Timiskaming	1	...	...	....	..	..	....	15¼	6	7	5
Thomp. Krist	1	...	...	....	..	..	....	3½	1	1	½
Tough Oakes	1	...	...	53	38	42	234775	66	36	62½	38
Towagamac	.	...	...	4.65	3.72	4.60	137267	6.10	3.15	5.75	2.85
Vac. Gas	.	...	...	18¼	11½	14½	59150	..	..	26	3
Vic. Silver	1	...	...	6½	5	6	29700	96	3⅛	14	4½
Vickers	1	...	...	45	45	45	3800	1.22	.13	1.52	.35
Vipond	1	...	...	1.24	1.05	1.14	111193	2.02	1.49	1.75	1.05
Waite Mont.	.	...	...	....	..	..	....	..	..	875	750
Wakenda	1	...	...	3	2½	3	2000	2¾	1	5	2
Wasapika	1	...	...	1½	1	1	4000	4	1	2	1
West Tree	1	...	...	3	3	3	3000	4	2	4	2
Wettlaufer	1	...	...	....	..	..	....	10	2	3¾	2
Wigwam	1	...	...	....	..	..	....	32½	4	4	3
Wright Har.	1	37½	3.08	12.00	11.00	12.00	33401	10.00	7.75	12.00	9.35

Robert M. Lyons & Co.
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MONTREAL.

***Premier* 1926 Statistics**

The annual report gives the following interesting information:

Value of Gold produced
$2,526,480

Value of Silver produced
$1,979,733

Net Earnings before Depreciation and Depletion
$2,011,665

Amount dividends paid
$1,600,937

Ore reserves
$11,495,073

At current prices, the dividend yield is over 14%. We recommend Premier for income return and appreciation in value.

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Enger-Sullivan Gold Mines Limited
(No Personal Liability)
Incorporated under the Laws of the Province of Ontario.
Head Office: 331 Bay Street, Toronto, Ontario. Telephone Main 4912.

DIRECTORS
C. A. D. McAlpine, (Pres.) 503 Excelsior Life Bldg., Toronto.
E. C. Tripp (Vice-Pres.), Port Arthur, Ontario.
W. J. McQueen (Sec.-Treas.) 331 Bay Street, Toronto.
H. Rempel, 216-331 Bay St., Toronto.
Frank Spence, M.P.P., Fort William, Ontario.
J. Gutcher, Timmins, Ontario.
Auditors—Allen and Miles, Sun Life Bldg., Toronto.
Bankers—Imperial Bank of Canada, Bay and Adelaide Sts., Toronto.
Solicitors—Reid, Wright & McMillan, 38 King St., Toronto.

Capitalization—
Authorized Capital $3,000,000 consisting of 3,000,000 shares of non-assessable stock of the par value of $1.00 per share.
Properties—
24 Patented Mining Claims 960 acres in the District of Patricia near Woman Lake and close to the Jackson-Manion and adjoining the Tripp-Gutcher property.
Those that know the property claim it to be one of the best prospects in the Woman Lake District.
We advise an early purchase of this stock as only a limited number of shares are for sale. Correspondence and interviews are invited.

Address all communications to the
ENGER-SULLIVAN GOLD MINES LIMITED
331 Bay Street - - Toronto, Ontario

**Castle Trethewey
Vipond Noranda
Bourlamaque Syndicate**
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Toronto 2, Ont.
Adelaide 7715
145 St. James St.
Montreal, P.Q.
Harbour 4935

STAGE SET FOR SHARE EXCHANGE OF KIRKLAND GOLD

With Common Much Above Preferred Value, Deal Attractive For Beaver

The victory of the new board of Beaver Mines in the dispute in the courts over the Beaver dividend of Kirkland Lake Gold shares: the new development on the 2,475 ft. level of Kirkland Lake Gold mine, and its subsequent rise in the shares on the market, has set the stage for an exchange of Kirkland Gold Preferred shares for common stock.

The same interests are in control of Beaver and Kirkland Lake Gold. They control 500,000 preferred Kirkland Lake Gold. Beaver consolidated has the other 500,000 preferred in its treasury.

These shares were redeemable at 110, so that it was obvious, that if the talked of exchange of common shares was to take place, it would be necessary to make the deal attractive to Beaver shareholders. The recent market has accomplished this at $1.50. Beaver gets a stock with a market value of 40 cents per share greater than the company at present holds. On this basis the paper profit in the Exchange totals $200,000., of course, the private interests holding the other half of the preferred, would have a similar profit. Incidently this will increase the market valuation of Kirkland Gold. Present position is 4,000,000 common at $1.50, total value $6,000,000, and 1,000,000 shares of preferred, redeemable at $1.10, $1,100,000, total valuation $7,100,000. After the Exchange there will be 5,000,000 common, which at $1.50 would make a valuation of $7,500,000.

New Quebec and B.C. Maps Prove of Value

Two very excellent mining maps have just been issued, one on Quebec and the other on British Columbia.

The Quebec map was prepared by A. E. Moysey & Co., after an exhaustive checking by James Heppleston. It covers all the known properties in the six important townships in the copper area, Montbray, Desserat, Duprat, Boischatel, Dufresnoy and Rouyn and also shows the leaders in Clericy.

Miller, Court & Co., Vancouver, have published the B.C. map. It is quite complete, showing the whole province, with a key indicating the various companies, 189 in all. The back of the map gives some valuable statistics.

JUMPING TO 2,000 TONS

Increasing the capacity of the Granby Company's mill at Anyox to 3,000 tons a day should be completed by the end of March.

New Wright Hargreaves Stock is Now Ready

Wright-Hargreaves new stock will be ready this week. Chartered Trust and Executor Company is the transfer agent. Notices are now being sent out informing shareholders of the change of the stock.

Interesting information is now available concerning the extension of the north vein to the west of the fault, in the direction of the Lake Shore boundary. At a distance of 140 feet west of the fault the faces of the drift on the north vein on the 1,250-foot, 1,375-foot and 1,500-foot levels were all in ore of the same grade as east of the fault. There is still a distance of about 1,000 feet from the present working to the Lake Shore boundary. It is almost a foregone conclusion that the vein will persist throughout this distance, since values have been uniformly high in the Wright-Hargreaves workings throughout their entire length, and the vein is a good tonnage producer on the Lake Shore.

ALL GOLD HILL'S TREASURY TAKEN

President Angus and Secretary Purchase Big Block From Underwriter

Pres. D. H. Angus, Gold Hill Mines, says that of the 600 ft. of drifting on No. 1 vein on the 800 ft. level, 400 ft. was in commercial ore. He says in a progress report to shareholders, that there is every reason to expect greater lengths of ore on this level as drifting proceeds.

The construction of a mill has been under way for some time. All the machinery for this mill has been purchased and a good part of it is now on the property. Practically all the material for the mill building is on the property. A new head frame has been built and the ore bins for the mill have been constructed and the mill building is in course of construction. It is reasonably expected that the mill will be in operation about Aug. 31, next.

The mill is designed to treat from sixty to seventy tons per day, and by a small expenditure, and without interruption of the operation of the mill, the mill can be increased to a capacity of 125 tons per day. The ore encountered in the mine to date on the various levels is of such a grade that the management believe that a mill of 60 tons capacity will render the mine a profitable producer and enable the management to develop the mine on the upper levels and carry on the development to much greater depths than have been attained to date.

Last month the president and secretary-treasurer of the company purchased from C. B. Cronyn the balance of the treasury shares, 146,926, at 50c per share. The company is now assured of sufficient finances to complete the construction of the mill.

Gowganda-Duggan mine has work under way erecting a 50-ton mill on the property.

MUCH INTEREST IN GROUPS AROUND 4 TWP. CORNERS

McDougall, Thormoor Each Have Good Ore—Corona Group Sought

Development on McDougall, Corona and Thormoor properties are again calling attention to the famous four township corners of Quebec. There are reports of finds of good ore on the McDougall. Thormoor had good ore, and it is said that either of them is after Corona's holding.

Corona Mines have two blocks of properties regarded by geologists and engineers as most promising and it is the one in Duprat alongside the McDougall Mines where the Lindsley-Errington group are doing very extensive development work, and adjoining on the north Thormoor property controlled by the U.S. Smelting & Development Company that present interest lies. The other group of properties is in Dasserat Township adjoining the Nipissing's Montbray holdings.

The results which have been obtained by Nipissing on their Montbray property are by far the most encouraging that Nipissing have ever got on any property they have ever taken an option on. So interesting are the results that the Nipissing officials rushed a large mining plant into their holdings before the snow went in order to permit of immediate shaft sinking.

The information which has come to hand is that the McDougall Mines have proven up commercial ore throughout their diamond drilling but the most important information is that the strike of the ore is directly in the Corona ground.

While a full report has not yet been received as regards the electrical prospecting which has been carried on under the direction of Dr. H. Lundberg, still the information that comes to hand is to the effect that this highly scientific machine has indicated orebodies in the vicinity of where the other properties are securing their values, and the Corona Mines are now completing arrangements for a diamond drilling campaign.

Corona is also arranging for an active development campaign on their Dasserat properties where it will be recalled that a short while ago an important discovery was made.

Granby's Production and Costs Are Higher

Granby Consolidated Mining profits for the quarter ending March 31st were $293,948 before depreciation or depletion provision. This is a severe decline when compared with a year ago. Figures by quarters are:

	1927	1926	1925
Gross	$1,767,264	$1,314,724	$1,292,734
Expenses	1,435,917	867,594	1,040,148
Oper. inc.	$ 331,347	$ 447,130	$ 252,586
Other inc.	28,850	53,027	15,254
Total inc.	$ 360,197	$ 500,157	$ 267,840
Interest	66,249	70,559	71,880
xProfit	$ 293,948	$ 429,598	$ 195,960

xBefore depreciation and depletion.

Production in the quarter averaged 13,563,591 lbs. of copper monthly at an average cost of 10.374 cents per lb.

Expects Ankerite Mine Will Prove Profitable

At National Mining Corp. annual meeting in London recently, Herbert Guedalla, chairman, in discussing its operations in Canada carried on through Porcupine Goldfields Development and Finance, said their experience has been identical with that of other companies in that the number of properties which are worthy of development is very small proportionate to the number examined. The main asset of this company, the Ankerite Gold Mine, is developing up to expectation. Milling operations commenced in June last, and now that the initial difficulties appear to have been overcome, operations should be profitable.

Goodfish, on Kirkland's North Break, to Resume

Goodfish mines, Providence mines, 3 claims, Shannon 4 claims, Goodfish Lake section, Kirkland, on the north break of the camp, are to amalgamate, making a 1,200 acre property. Operations are to start on Goodfish exploration and at a meeting held recently at Kirkland Lake it was decided to start dewatering the 200-foot shaft. Lake Shore directorate and Goodfish board is the same. These properties have been idle some years and are regarded as having the best showings on what is known as the north break.

Getting Bidgood Ready

Bidgood Consolidated Gold Mines, Lebel Tp., Kirkland Lake, is preparing to resume work. The plant is being put in shape and a study made of surface geology. Dewatering of the 600 ft. shaft and workings will start soon. It is proposed to do underground diamond drilling when the water is out.

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ROCHESTER GROUP FINANCES CROWN

Leo Erenhaus' Rochester Interests Provide Funds for Third Mine Venture

Crown Reserves capital structure has been changed again and the company succeeding the old Crown Reserve, known as Crown Consolidated, has 3,000,000 $1 common shares, the $500,000 preferred as proposed when the reorganization was first carried out, having been changed into common. Old shareholders get one new for three old, which takes up 1,100,000 shares and leaves the balance for the treasury. Leo Erenhaus, who interested Rochester interests in the resumption of operations on the property assumes the manager directorship and N. J. Everard will be in charge of the property at Larder Lake, on which operations will be carried out and on which there is broken ore estimated at $1,000,000. The group which is financing the resumed effort on Crown Reserve is also providing Hunton and Bidgood operations with funds. The same group figured strongly in Dome, and were prominent in getting Canadian representation on Dome's board.

NEW KAMISKOTIA VENTURE

Wynchalid Exploration and Development Co. is the name of a new Quebec syndicate which has extensive holdings in Kamiskotia section, west of Timmins. Hollinger is the principal operator in the section but a lot of activity is expected this summer.

CENTRAL MANITOBA MINES

The annual meeting of shareholders of Central Manitoba Mines will be held at 702 Paris Building, Winnipeg, on Monday, May 16th, the report of the directors will be presented. Transfer books close from May 2 to May 16, both days inclusive.

IMPERIAL OIL'S NEW EXPLORATION COMPANY

Foothills Oil and Gas Co., a newly organized exploration subsidiary of Imperial Oil, will drill in Turner Valley field. Capitalization is 5,000,000 no par shares, head office, Calgary.

ASTORIA ROUYN MINES
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To protect promising mining stock from the manipulation of unscrupulous traders is a problem facing all directors of trustworthy mining companies. Astoria Rouyn Mines Limited, meets this problem by pooling its shares for six months. For further information write
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We have prepared up-to-date progress reports on these mines. Copies sent free on request.
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STOCK BROKERS.
Royal Bank Building,
Toronto, Ontario

Have You Received Our New
Rouyn-Quebec Map?
It shows all the latest stakings, changes in ownership, etc., of the various properties in the Townships of Montbray, Duprat, Dufresnoy, Desserat, Boischatel, Rouyn, and part of the Townships of Clericy and Joannes.
If you would keep posted on the rapid changes in this important area it is essential to have this map. A copy free on request.
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THE FINANCIAL POST
(*January 28th, 1927*)
—London, England, brokers, whereby this company will provide $250,000.00 working capital for Porcupine Kirkland Mines. The London company proposes to offer 500,000 shares of the stock to the public in England. The company already has about 250 shareholders in England. A representative of the London firm recently visited Toronto and expressed the opinion that in the next few years Canadian mining would draw a large amount of capital from London. He says that the grudge that has been held in England and nursed along by some interests, is fast disappearing, and this was particularly true in regard to mining ventures. He said that Canada was recognized as being one of the brightest spots in the Empire and the mining industry is captivating the imagination of every forward looking Englishman.
Porcupine Kirkland is pushing ahead the completion of the road into its property in Cabot Tp., Porcupine, and will later take in supplies and start sinking operations. Surface indications on the property are attractive from the standpoint of geology and values as well. These indications are so strong that the first proposal to diamond drill was dropped on the recommendation of the company's consulting engineer and sinking operations and lateral work to cut the known ore zones will be pushed ahead.

THE NORTHERN MINER
(*Saturday, February 5th, 1927*)
PORCUPINE-KIRKLAND GOLD MINES
Contracts are being let within a few days to a prominent construction company for the completion of a new road to the PORCUPINE-KIRKLAND GOLD MINES LIMITED. This will enable the machinery and equipment necessary to be shipped direct to the property. This follows the announcement of a few days ago of the LONERGAN SECURITIES, LIMITED, that PORCUPINE-KIRKLAND have been successful in securing the co-operation of a large and reputable private English banking organization.
Tenders have also been submitted for diamond drilling, sinking of shafts, and other development. The work, it is stated, will involve the expenditure of $500,000 ultimately.

EVENING TELEGRAM
Kirkland Lake, Ont., Feb. 7.—(Special)—Intimation is given in an announcement this week that development of the Porcupine-Kirkland Gold Mines is about to commence. Contracts are being let within a few days for completion of a new road to the property. This will enable the company to ship necessary machinery and equipment to the claims for their development.
Tenders have also been submitted for diamond drilling, sinking of shafts, and other developments. The work, it is claimed, will involve expenditure of around half a million dollars.
—Operations have been centred for the past two years on the Cabot Tp. claims, on which ten quartz-porphyry domes or out-croppings, ranging from twenty feet to 125 feet in height, are showing.

OFFER FOR SALE
PORCUPINE KIRKLAND GOLD MINES LTD. SHARES
We have just secured, through a remarkable trade, a good size block of PORCUPINE-KIRKLAND MINES LIMITED SHARES to dispose of.
There is no need to elaborate or enlarge on the merit of this share. Note the excerpts from the Toronto Evening Telegram, also from the Northern Miner and Financial Post.
Our client cannot afford to hold these shares or take the time to "peddle" them. The shares have been sold at 70c to $1.00 per share and even at these prices are considered a good purchase.
We can offer to you today, only to the extent of this block,
Porcupine-Kirkland Gold Mines Limited Shares at 40c.
Your opportunity, therefore, is NOW to acquire a holding at an extremely low figure, in a property which promises to develop into a prominent and powerful mining enterprise in the future.
Application will be taken in rotation, and in case of over-application, excess deposits will be returned in full promptly.
SMITH-DALBY-WELCH & CO.
401 Metropolitan Building
Toronto, Ont.

THE NORTHERN MINER
(*April 21st, 1927*)
Underground Work Starts
PORCUPINE-KIRKLAND HAVE FUNDS FOR SINKING ON CABOT TP. GROUP
Within the next month, it is expected, shaft sinking on the Cobalt Township claims, in the Sudbury Mining Division, will be started by PORCUPINE-KIRKLAND GOLD MINES LIMITED. The company has here a block of 11 claims. Their engineer, W. E. Simpson, recommended two shafts at least 100 feet deep, sited in the vicinity of the most surface work and connected by drifts.

FORM OF APPLICATION
SMITH-DALBY-WELCH & CO.,
401 Metropolitan Bldg.,
Toronto.
Gentlemen:—
I hereby apply for† .... shares of PORCUPINE-KIRKLAND GOLD MINES LIMITED, at 40c. per share, and send herewith my cheque value * $.............. being 20% of the full purchase price on application, and I agree to accept delivery of the said number of shares on any smaller number, and to pay the balance of the full purchase price in acceptance of this application by you.
NOTE:—
No receipts will be issued for payment on application, but an acknowledgment will be forwarded in due course either by acceptance of offer to purchase or by return of deposit.
SIGNATURE ....
Name (IN FULL) ....
Mr. Mrs. or Miss
Address (IN FULL) ....
Please write plainly.
State Number of shares.†
One-fifth of the total* amount of purchase. Payment may be made in full if desired.

CHANCES OF T.O.B. MAKING MINE LIE AT GREATER DEPTH

Financial Position Bad and Likely That Bond Issue Will be Made

Tough-Oakes-Burnside's last 15 months' operation show a loss of $110,961. Previous 21 months, loss was $169,548 or $280,509 in three years.

While this is not a showing that will please shareholders it is not without its hopeful signs. Bullion produced in the 15 months period was $353,015 while operating expenses totaled $76,572 greater or $429,587. Added to this were capital charges of $35,259 or a total outlay of $464,846. Working capital stands at $12,404.

Obviously with such a financial position, some change is necessary, if the operation is to continue and interests undisclosed have offered to advance funds up to $250,000, and have already paid $25,000. This will likely mean that they will take mortgage bonds. These funds will finance the sinking of the shaft to 1,600 feet and allow for an aggressive exploratory program, something that has been impossible the last year or so because of the low cash position of the company.

Manager Stuart outlines the position of the enterprise fairly well as follows:

Changes in Ore

"In two years there have been pronounced changes in the ore occurrence. At the commencement of 1925 the greater part of the mill ore was being obtained from steep dipping veins. Towards the end of the year a series of flat dipping veins located between the 950 and 1,125 horizons became the principal ore producers.

"In the latter part of 1926 depth development indicated that future supplies of ore would be once more obtained from steep dipping veins exposed at the 1,225 and 1,345 feet levels. These unexpected changes in the ore occurrence have adversely affected working results to a considerable extent. It is, however, encouraging to report that indications at the lowest level hold out promise of more settled conditions.

"The ore bodies in the western section below the 800 feet level have become stronger and carry a higher grade of ore. Between the surface and the 800 horizon some 14,000 tons of ore of an approximate grade of $5 was mined. Between the 800 and 1,125 feet horizons the ore production to date is estimated at some 50,000 tons of an estimated grade of $9.

Chances at Depth

"The greatly improved conditions in regard to ore deposition would appear to be closely related to more favorable geological circumstances.

"At the 1,025 feet level there is a total width of porphyry proven of 1,800 feet, the ore occurrence has shown distinct improvement as operations proceed towards the centre of the porphyry mass.

"It is considered highly encouraging that, having regard to the great width of porphyry, considerable depth must be attained before any geological change may be expected.

"Development at the 1,225 and 1,345 depth of about 1,500-1,600 feet a junctioning of the more important vein systems might be expected to occur.

"In order to expeditiously develop the mine at depth a sub-vertical shaft is now being sunk below the 1,345 level. The new shaft is located some 300 feet south of the main shaft and as it is being sunk in the footwall of the vein system will crosscut the formation at a vital point. Intermediate levels will be run out at fifty feet intervals and a main haulage level established at 1,600 feet. The closer spacing of the intermediate levels will enable mining widths and values to be more closely controlled and it is expected beneficially affect the grade of ore mined.

Work East of Dyke

"It is hoped to reach the 1,600 horizon about the end of July, 1927. Should ore exposures at the various intermediate levels be favorable a considerable tonnage of ore will be definitely determined.

"East of Dyke, at the 1,600 feet level it is proposed to crosscut out to the east.

"Development east of the dyke which showed considerable promise at the 1,025 level has unfortunately been severely handicapped at the lower levels owing to the necessity of having to stop work repeatedly whenever difficulties, endangering the supply of ore for the mill, were encountered in the western section. Drifting at the 1,100 feet level is now being undertaken on the 18 vein system and some valuable information has been obtained indicating the possibility that the lower developments were made on another series of veins."

Royalite Oil Pays Third Dividend, 40c

Royalite Oil Co., an Imperial subsidiary owning Royalite No. 4 well in Turner Valley oil field. Earned $535,496 net during the past five years. A third dividend, a 40-cent per share payment, was ordered. The previous payments were 25c.

Year's revenue was made up from gas sales, $307,776, naphtha, $898,381; total $1,206,158. Royalite 4 well produced 205,421 barrels of naphtha during the year. Expenditures under Dalhousie oil contract totaled $328,475.

HIGH COPPER CONTENT

Diamond drilling of the Bonanza group, near Anyox, by the Granby company shows as high as 12 per cent. copper, with an average of well over three percent.

P referred Securities Corporation Limited
Investment Bankers
Specializing Unlisted Securities
18 Toronto Street, Toronto, Ontario.

ALBERTA OIL
Daily Quotations
Ottawa Bond & Security Company, Ltd.
BOOTH BLDG. - OTTAWA

ORGANIZED PROSPECTING IMPORTANT IN THE MINING FIELD

(Continued from page 17)

ganizations, great and small. The mining companies have an advantage that they might use more extensively than is their practice at present. The prospector's work is speeded up and made more productive, if he can consult from time to time an experienced field engineer, who could be accessible for this purpose to a considerable number of parties. It is obvious that a systematic plan along such lines would secure a high degree of efficiency.

But while it seems advisable to utilize existing permanent organizations such as those of mining and development companies, there should be provision made for a much wider interest in prospecting. The writers have been for several years studying the organization of small syndicates to carry on prospecting. Several ways have been tried out in the field, and conclusions have been reached that are here set down for the general benefit.

Requires Persistance

A great many small investors are ready to put their money into the mining business, and it is advisable to encourage such investments and to guide them into channels profitable for the investors and fruitful for the industry. In the first place, it should be recognized that investment in prospecting should be looked upon as a thing requiring persistence. To share in sending out a party for one season only is not an investment but a shot. The syndicate should be organized to do business permanently or for a considerable number of years. The money put in then becomes an investment with just as much chance of return as if invested in manufacturing, or any other business.

The syndicate should be composed of men who can work together without friction. The prospecting should be directed by a manager, an experienced engineer, who also acts as treasurer. For his services, he gets a share in the proceeds. The prospector is also a partner, having a share in any find made, in addition to his salary. The total expense for a season's operation can be limited by giving the prospector a monthly sum out of which he is to pay all expenses including salary for himself and assistant, but not including expenses that come on when a discovery has been made. These expenses vary according to circumstances, such as the number of claims staked and recorded. The best prospectors do not stake claims until they have made a discovery warranting it. The exception to this is staking alongside an important discovery, made perhaps by a friend who is glad to have the right kind of a neighbor. But proximity to a discovery does not insure anything. The town of Timmins is almost within stone's throw of the Hollinger mine, with only a very small lake between. If there is a gold mine under Timmins, the world has not yet heard of it. Staking on location or on the geology, gives a chance for leisurely prospecting of the ground. But it also involves the expense of recording and of extra licenses. Such staking may be justified by favorable circumstances, but very few claims staked in that way yield any return. A study of the staking in any mining camp will show the truth of this statement.

Handle a Number

The same engineer could manage a considerable number of such syndicates, and as he would have a share in all discoveries, his chances would increase with the number of syndicates. An engineer might make a business of this, but he might have to wait for returns, and so would have to live on his capital in the meantime. However, one good discovery would set him up. The organization of prospecting along these lines offers an attractive career for the right kind of man. If the business were taken up in this way, good prospectors would more readily find profitable employment, prospecting would attract more of the better kind of men, a large number of small investors would put their money in the business on a sound basis, all of which would tend to increase the interest in the development of mineral industries, to speed up the discovery of mineral deposits, and to make prospecting profitable for a large number of people.

British Metals Leaves Gaspé Mining Field

From Our Own Correspondent.

The British Metals Corporation has discontinued its investigation work on the Federal and other properties in the Gaspe peninsula. The mineral resources and showings of ore in this district have caused considerable interest during the last few years—and more especially since the summer of 1926, when a large number of claims were staked,and when large mining organizations, such as the British Metals corporation and the Pioneer Mining Corporation started work on the claims which they had under option.

It is felt by those in close touch with the mining industry that this field has a promising future and may become one of the leading mining centres in Canada, despite the withdrawal of the British Metals Corporation.

OPTIONS KIRKLAND CLAIMS

It is understood that J. W. Morrison has taken an option on 14 claims known as the Perkins, west of Pawnee in Lebel Tp. and owned by Reamsbokom and Edwards, Kirkland Lake.

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Looking Ahead
Quoting again from Major J. Macintosh Bell, in his address before the Canadian Club of Montreal:
"In 1886 the total value of mineral output in Canada was only a little over $10,000,000 or about $2.25 per capita. In 1915, the value had grown to $137,000,000 or $17.00 per capita, while in 1925 the value became more than $225,000,000 or $25.00 for each man, woman and child of the population—the largest amount per capita of any country in the world."
This persistent increase in the value of mineral output is of interest to every Canadian. It is especially interesting at this time because Quebec province, following the discovery of the Rouyn field, is all ready to add richly to Canada's mineral wealth. Investing in Ontabec Limited is one reliable way for you to get your share of the profits to investors that will accrue to those who back legitimate enterprises in the Quebec field.
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NEW INTERESTS BACK L. & L. GLACIER MINE

New Tunnel Will Open New Level—May Build Mill if it Succeeds

From Our Own Correspondent.

STEWART, B.C.—Reorganized, headed by John Hart, former finance minister for British Columbia, and financed to complete the lower tunnel to its objective, the downward extension of the main ore body, L. & L. Consolidated Mines, Ltd., formerly L. & L. Glacier Creek Mines, Ltd., has resumed development with two shifts at work.

The property is three miles up Glacier Creek from the Dunwell. The new company is capitalized at $500,000 (25c. par) double the former $250,000, and it purchased for 360,000 shares (25 cents par) nine claims of Rush-Columbia Co., adjoining on the south and which are believed to hold extensions of the three parallel veins on which L. & L. bases its hopes.

No. 3 tunnel is now in 300 feet and will cut No. 1 vein in another 30 to 50 feet. This vein on upper levels contains along with three to four feet of milling ore a narrow paystreak along the footwall, in some places widening to 20 and 24 inches, from which 70 tons of ore were stoped and sold to the Premier Gold Mining Company last year. The ore averaged $134 a ton, values being almost wholly in silver.

On the advice of its engineer, B. W. W. McDougall, the company ceased mining high grade alone and will conserve it to "sweeten" the general run of ore for mill feed.

If ore is encountered in the local tunnel further financing will be undertaken to construct an aerial tramway 1¼ miles to a site 500 feet above tidewater, where a mill, possibly of 100-ton capacity, will be constructed. The stock recently reappeared on Vancouver Stock Exchange.

Abana Values on 135-Ft. Level High

MONTREAL.—Abana Mines are getting operations under way rapidly. Over 15 men are working at the mine. Twenty-four feet of core is reported opened up on the 135 foot level, averaging $50 in copper and zinc deposits per ton, with about $5.00 per ton in silver. Present indications would point to a deposit which will be about 40 feet wide when present operations are concluded. The property gives indication of a big orebody not over 200 feet from the shaft and down to 200 foot level.

This mine has been proven to 180 foot level and at this depth there is a 30 foot deposit averaging over $30.00 per ton ore.

Premier Mining Syndicate has just started northwest of Abana properties. They are making a magnetic survey. The property to the east of Abana has been optioned and work will commence there immediately. This property has been taken up by Ottawa interests.

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Atlin Will Have New Shipper This Summer

Rich ore which Engineer Mines is producing in Atlin section of British Columbia has focussed attention on that section of the province and many new operations will be carried on this year. Engineer mines erected the first mill and now Adgad mines has announced that it will have a mill operating and shipping concentrates as soon as navigation opens.

This company owns eleven Crown granted and four surveyed free-milling gold claims of 575 acres on Munro Mountain, Atlin, B.C.. There are four fissure veins measure from 4 to 8 feet, and a number of rich stringers from 6 to 20 inches wide, which gives assays from $20 to $155 per ton in gold.

A large amount of development work has been done and two tunnels intersect one of the veins at the 100 and 200 foot levels. Drifts have been run both ways, with uprises and stopes, and a large tonnage of ore averaging over $20 per ton blocked out and 300 tons on the dump ready to be run through the mill.

EXCHANGE ACTION WAS UNWARRANTED

Pres. Vickers Discusses Break in Market for Shares of Vickers Co.

Pres. Vickers, of Vickers Porcupine Mines, had some comment to make at the recent meeting of the company on the action of Standard Exchange in disturbing the market for the company's shares. He said:

"Although I am restrained from airing my private opinions on the matter, I can say, and in this I think I am supported by the whole board of directors, or any of you present who are conversant with the situation, know that the break was the result of unfavorable and misleading reports that were circulated in part of the press, that had a very damaging effect, creating selling on the part of frightened holders. The action of the exchange was unwarranted, to say the least. This market condition might happen to any stock, no matter how gilt-edged its merits might be, with the same misleading items in the press.

"It is not the company that has been affected but it has brought about a serious loss to all our shareholders.

"Your properties have not been affected in any way by this market action nor the promising outlook impaired in the least degree."

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Conditions in Canada Favor Investment Trust Growth

Fifteenth Article of a Series on Investment Trusts and Their Place in Canada

By MACKENZIE WILLIAMS. Copyright, 1927.

We have pointed out some of the most important of the requisite and suitable conditions for the development of the investment trust and elaborated the first of those conditions, namely, the large capacity of Canadians for investment, at some length. It was shown that the Canadian people exhibit a deep interest in and an amazing capacity for accumulation and investment. Other favorable conditions pointed out were:

(2nd) where there is large volume of foreign trade.

(3rd) where there is a measurable interest in foreign investment.

(4th) where there are large amounts of government issues outstanding, which amounts are relatively stationary or are possibly being reduced.

(5th) where interest rates on such issues are declining.

Canada's Large Foreign Trade

Dealing with the foreign trade, we find that, in the fiscal year ending March 31st, 1926, Canada did business with 112 countries of the world, in every quarter of the globe. With 48 of these countries she did business of over $1,000,000. Her exports far exceeded her imports and gave Canada the largest per capita favorable balance of trade of any country of the world.

As regards her per capita foreign trade, she has, in this respect, passed many of the most important countries of the world. Some of the figures relating to this aspect of trade are as follows:—

Per Capita Trade of Some of the Important Countries of the World

Country	Imports Per Capita	Exports Per Capita	Total Per Capita
Canada	$ 86.23	$114.67	$200.90
United Kingdom	114.26	79.74	194.00
Sweden	62.33	55.66	117.99
France	54.43	56.23	110.66
United States	31.63	40.45	72.08
Germany	36.32	25.98	62.30
Italy	21.92	16.20	38.12
Japan	17.23	12.63	29.86

Trade is Growing Rapidly

Canada's trade is not static, but is markedly dynamic. Her trade over the past twenty-five or more years has shown a rapid rate of growth which is well brought out in the following table, giving the total trade with foreign countries in different years, namely, in 1900, in 1910 and in 1926.

Total Trade (Exports and Imports) With Various Countries at Different Periods

	1900 $	1910 $	1926 $
U. S.	160,221,405	322,204,231	1,084,707,004
U. K.	140,842,916	234,820,003	671,968,770
Japan	1,862,168	2,839,054	44,258,936
Germany	9,491,661	10,000,998	40,720,800
France	5,740,605	12,710,641	33,103,961
Netherlands	766,740	3,386,797	30,341,170
Belgium	4,083,633	5,080,044	29,755,914
China	884,543	2,048,897	27,021,441
Argentine	1,044,664	5,049,339	16,093,814
Italy	405,029	1,239,382	15,386,412

In the operation of many investment trusts, it is stipulated that the limits of investments in foreign countries be restricted within certain percentages of the totals invested. These percentages have, in most cases, been fixed in a more or less arbitrary way, which in all probability works out fairly satisfactorily in practice. A more scientific method of arriving at the limitations of the investments allowable in foreign lands might be based on the volume of trade with these countries, having, of course, due regard as to whether the trade had been of a fairly sustained or seasoned character or had been a newer development and possibly of only a temporary character. A satisfactory trade volume over a term of years is likely to be a fairly accurate measure of the confidence existing between nations and of the general satisfactory nature of such relations. We would naturally accord Canadian securities a major place in the investment portfolio of a Canadian trust, based on the preponderating volume of domestic trade as compared with the grand total. These investments would be closely followed by securities of corporations domiciled in United States, then by securities of companies domiciled in Great Britain, if income tax regulations did not in this latter case practically preclude their consideration.

Widespread Interests of Canada

Such figures and facts as the above, show that Canada has widespread interests in all parts of the world, giving her intimate points of contact with foreign peoples. Such contacts, where these develop satisfactory relations, bring numerous opportunities for the profitable employment of funds in foreign fields, which, as shown in the previous section, does much to stabilize and cement these foreign trade relations. Canadians have not been wholly indifferent to or negligent of these opportunities in the past. Although occupied with the development of their own country which in the past left very little surplus for investment elsewhere, especially in the earlier years, her citizens have established branches of their banks, insurance companies and agencies of their manufacturing enterprises, have engaged in electric power, light, traction and many other enterprises. It has been recently estimated that Canadians have invested a minimum of $700,000,000 in this way, though in light of the recent heavy absorption of foreign issues by Canadians, the amounts so invested will, on further examination, probably be found to more nearly approximate $1,000,000,000.

Our Large Bond Holdings

Looking at the volume of government and municipal bonds outstanding, we find that at the close of 1913, just prior to the war, the total outstanding dominion, provincial and municipal issues amounted to $801,000,000, whereas at the close of 1926, the total reached $4,225,000,000. Of this it is estimated that Canadians held $2,583,000,000 as compared with $320,000,000 in 1913. Thus we find after the war period, huge amounts of bonds outstanding creating a condition similar to the conditions in Great Britain after the Napoleonic wars.

An examination of the prices at which Dominion bonds were offered shows that the maximum yield to the investor was 5.81 per cent. This yield was available in connection with the 5-year 5½% bonds of the Fourth Victory Loan, which were offered to the public at 100 flat, the equivalent of 98.65 and interest. Financing by the Dominion for renewal or refunding purposes has been done at gradually declining rates. In 1922, bonds bearing 5½ per cent. and 5 per cent. were issued in Canada and New York respectively. In 1923, 5 per cent. bonds were offered, in 1924, 4½ and 4 per cent. bonds were offered, and similarly in 1925. In case of the later issues, the amounts offered for subscription were in the main less than the amounts maturing and moreover carried lower rates of interest. The government latterly has been able to retire with cash modest but increasingly large amounts of maturing issues and as the successive refunding issues bear lower and lower rates of interest, these two factors operate to release important amounts of funds which must seek investment in other directions. Second, they make the government issues less attractive to the average investor from the income standpoint which likewise causes the investor who desires or must have the larger incomes and hence causes him to seek other investments.

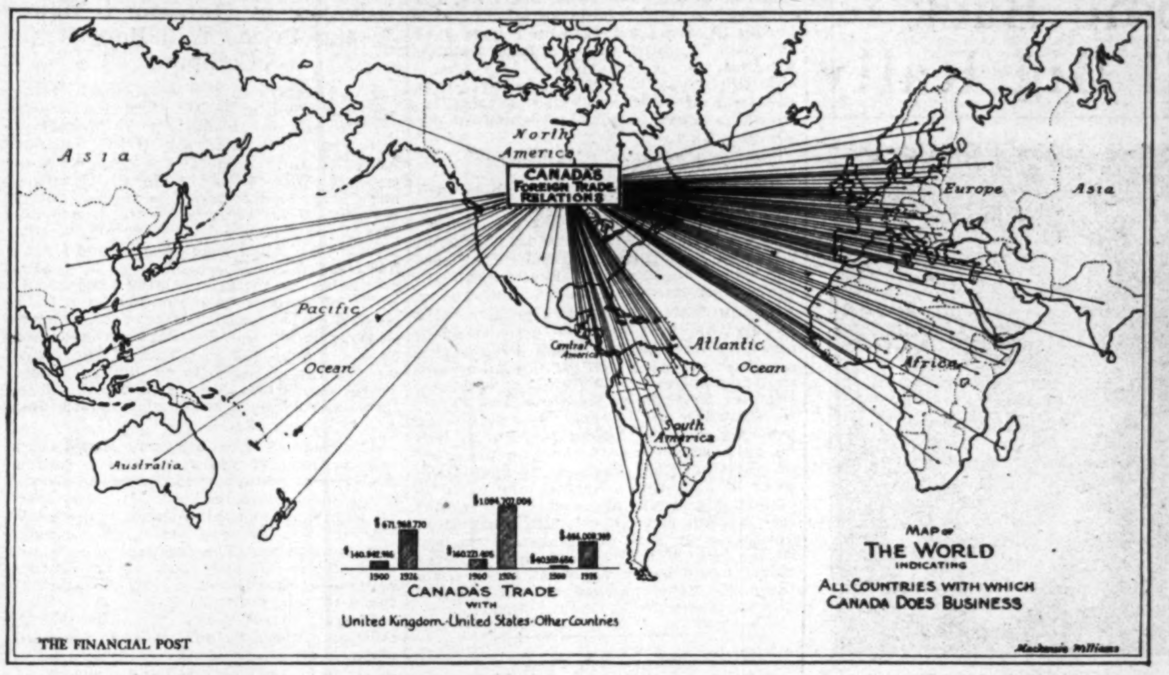
Interest Rates are Declining

The average rate of interest on all Dominion government interest bearing debt for the last six years for which rates have been calculated are as follows:

	Per cent.
1920	5.134
1921	5.13
1922	5.164
1923	5.125
1924	5.092
1925	4.992

Thus we have in the declining interest rates which government issues afford and in the stationary or gradually declining amount outstanding two factors which are analogous to the conditions after the Napoleonic wars. These circumstances as pointed out above force many investors to seek investments in other directions and are two influences which taken together with the volume of foreign trade, the heavy investment on the part of Canadian and the demonstrated large capacity of Canadians for accumulation and investment, combine to make conditions which are highly favorable for the development of the investment trust in Canada.

Canada's Foreign Trade Makes Nation Factor in World Finance



How wide spread are Canada's foreign relations may be gathered from the accompanying map showing all the countries with which she does business. This foreign trade is closely linked with Canada's financial future.

APPOINT CAMERON TO BOARD

The Eastern Trust Company announces the appointment of A. K. Cameron as a director.

Mr. Cameron, who was born in Arthur, Wellington Co., Ontario, has been a resident of Montreal for the past twenty years, and is vice-president and managing director of the Metal Shingle and Siding Company, Limited, and a director of the St. Lawrence Paper Mills Company Limited. He is also vice-president and managing director of A. B. Ormsby & Company and a director of the Tourville Lumber Company. This brings the number of Montreal directors up to five.

CENTRAL ELECTRIC STATIONS EXPAND

Nearly $100,000,000 Added Capital Invested in 1925

Rapid growth of the central electric station industry was in no way abated in 1925, the government's report showing that generating capacity was increased by 562,663 k.v.a., or 24.6 per cent. over the preceding year, the total capacity being 2,844,709 k.v.a. Capital investment was increased by $98,155,994, or 15.6 per cent., and the output was greater than during 1924 by 795,182,000 kilowatt hours, or 8.5 per cent. The net increase in the number of power plants was 31, of which 11 were hydraulic and 20 were fuel plants, 18 of the latter being small plants in Saskatchewan.

In Canada the central electric station industry is hydro-electric, except for a few medium sized plants in the Maritimes and in the Prairie Provinces, and for the numerous small power plants throughout the country supplying local demands in sections remote from water powers, particularly in Saskatchewan and Alberta. The hydraulic electric stations generated over 98 per cent. of the total output of the industry in 1925 and their capacity was over 95 per cent. of the total.

Large Operations in Quebec

Much of the increase in power generated or installed and capital investment during 1925 took place in the Province of Quebec, where the huge Duke-Price hydro power development is rapidly nearing completion. This project alone added 553,469 k.v.a. in capacity during the year. There were other developments in Quebec, while Ontario, Manitoba, British Columbia and Nova Scotia also reported increased installations. The city of Regina added a new steam turbine to its plant.

The report also shows that there were twelve plants actively engaged during the year in exporting electric energy to the United States. These plants generated 4,704 million kilowatt hours, of which 1,301 million were exported. In 1905 an export duty of 3-100 of one per cent. per kilowatt hour upon all electric energy exported from Canada was imposed, effective April 1, 1925. Certain exemptions were made subsequently and for the fiscal year ended March 31, 1926, the duty collected amounted to $288,392.

One in Twelve Uses Electricity

Regarding domestic consumption, the number of customers increased by 78,781, or 6.6 per cent. during the year, the largest increase being in the domestic light customers. In all there were 1,279,731, as compared with 1,200,950, 1,112,547, 1,053,545 and 973,212 in each of the four preceding years, respectively. British Columbia continued to show the greatest density with 17.31 per 100 population. Ontario was next in importance with a record of 14.23, followed by Manitoba with 14.23; Quebec, 11.82; Alberta, 7.11; New Brunswick, 6.07; Nova Scotia, 5.99; Saskatchewan, 4.10; and Prince Edward Island, 3.22. The average number of domestic light customers per 100 of population for the whole Dominion in 1925 was 11.36.

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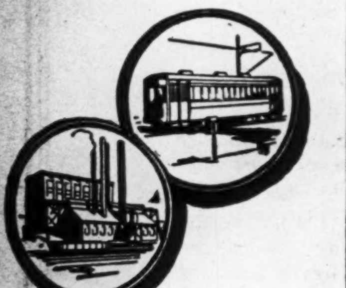
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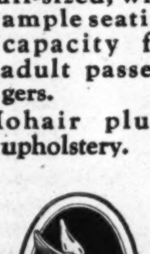
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Saskatchewan "Progs" Attempt "Come Back" and Call Big Rally

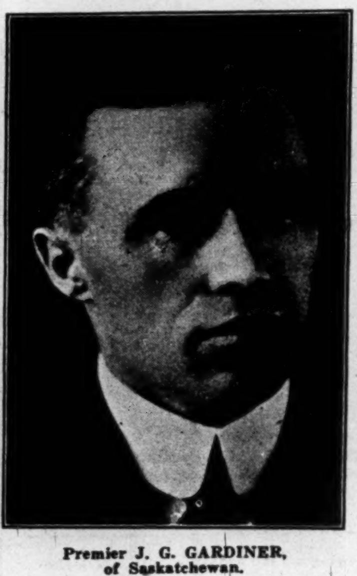
Claim Annoyance at Attitude of Provincial Government

STONEMAN TO FORE

President of United Farmers' Saskatchewan Section Looms as Premiership Timber

From Our Own Correspondent.

REGINA—It is a long time between elections, but for all that, there is a political situation in Saskatchewan that has a good deal of interest, and that may have its reaction in Dominion politics. It is based on a progressive rally which has been announced to take place in Regina on July 6th and 7th. The questions to be decided are whether or not the Progressive movement can "come back" in Saskatchewan, whether the farmers can be organized into a class conscious political economic group, as in Alberta, and whether the hold of the Liberal party, both in Dominion and provincial affairs, can be broken.



Premier J. G. GARDINER, of Saskatchewan.

Just at the moment, Premier Gardiner, who fell heir to the Premiership a little over a year ago, appears to have even a stronger grip on the political affairs of the province than did Mr. Dunning before he gave up the provincial premiership to become Minister of Railways. But even to his position there are some troublesome aspects.

Many Progressives Annoyed

To begin with, there are some thousands of Progressives in the province who are intensely annoyed at the part taken by the provincial government in swinging Saskatchewan from the Progressive to the Liberal column in the elections of 1925 and 1926. Then there are the four remaining Saskatchewan Progressives in the Dominion House, Messrs. Evans, Campbell, Fansher and Carmichael, and there are five Progressives still left in the provincial legislature. Seven were returned in the last provincial election, but two of them, Messrs. Agar and Cockburn, crossed the floor during the recent session of the legislature, increasing Premier Gardiner's following to 53 in a house of 63, and more than offsetting the loss of a Saskatchewan seat to the Conservatives.

Another factor is made up of a part of the old Grain Growers' Association, an organization which was recently nominally amalgamated with the Farmers' Union to form the United Farmers of Canada, Saskatchewan section, but which was actually practically annihilated in the process. Some of the old organization were very anxious to get the farmers of Saskatchewan organized on H. W. Wood's Alberta group plan, and they looked with envious eyes at the situation in that province, with the United Farmers of Alberta in control of the provincial government, of the province's federal representation, and of the Alberta Wheat Pool. The amalgamation was consummated at the first annual convention of the new body at Moose Jaw in March, and when the meeting was over there was practically nothing left of the Grain Growers' Association. The Farmers Union element was in control of the directorate and the officers. President Stoneman, of the Farmers' Union, became president of the new body, Secretary Thrasher, of the Farmers' Union, became secretary.

Only Farmers Allowed In

It was a "closed door" organization, rigidly excluding those who could not qualify as actual farmers, and meeting in private. It established a ritual, like a secret society, and it refused to have anything to do with the Canadian Council of Agriculture. It would not co-operate with the farmers' organizations in the other provinces until they had reorganized themselves on the new Saskatchewan pattern, on which it is hoped to create a new national body, The United Farmers of Canada, of which the Saskatchewan organization, it is hoped, will be merely the first unit. Divergence of the new organization from the spirit of the old is emphasized in removal of headquarters from Regina, to Saskatoon, which was the Farmers' Union headquarters, and the centre of more radical ideas in the province.

Members of the old organization do not like these developments. Some of their displeasure may fall upon Premier Gardiner, for there appears to be close harmony between the premier and the officers of the new organization in a determination to keep the United Farmers of Canada from taking any part in politics. Under the constitution of the United Farmers, term of office holding is limited to two years, but no one expects to see Mr. Stoneman's ambitions satisfied when his term of office is over. Already there is a speculation as to the possibility of his going into the provincial government, and even, should Mr. Gardiner find an opening in the Dominion field, of succeeding him as premier.

Support of Wheat Pool Helps

The wheat pool is also a factor in Mr. Gardiner's present strength. Mr. Dunning could never have been accused of hostility to the pool, but he was never so ardent in its admiration and support as Mr. Gardiner has proved to be. When the pool, at the session a year ago, secured legislation strengthening its existing contracts, Mr. Dunning had some doubts about the provision which gave the pool the right to an injunction against a contract breaker, and the possibility of jailing contract breakers for contempt of court if they continued in their course. Mr. Gardiner had none. At the last session the pool obtained more legislation which strengthened their position. An act was put through making inoperative assignments of proceeds of crops not cut, and the legislation was made retroactive. Thousands of pool members had given their creditors assignments against pool payments to become due later. Thousands of these on file in the pool offices became null and void as soon as the law was passed. Creditors will have to seek another means of collection, and the danger of the pool becoming unpopular with its members because of use as a debt collecting agency was averted. No exception can be taken to the law with respect to the future, but not every government would have been willing to make the legislation retroactive.

Complicating Estate Procedure

An act was also passed giving the trustee of an estate the right to sign a pool contract. The average trustee would probably be glad to take the pool average price for grain, and to avoid having to decide when the market offered the best chance for selling it. But when this is done part of the proceeds of grain are deducted for elevator purposes and for commercial reserves. These are in theory returnable, and also interest bearing, but the time of their return is indefinite, and certainly a considerable period of years ahead. A trust estate which goes into the pool is going to be a long time in winding up. A government less amenable to the pool might have insisted that the pool, if it wanted such estates in, should exempt them from elevator deductions.

Big "Progs" Are Coming

The pool organization can be depended on to oppose farmers' political organization, because in the first place it can secure from Premier Gardiner all the legislative support it desires, and in the second place such organization might develop friction among its members.

The promoters of the Progressive rally in July announce that it is to be attended, not only by Saskatchewan's Progressive members in the House of Commons and the legislature, but also by Miss McPhail, Premier Bracken of Manitoba and Premier Brownlee of Alberta. Miss McPhail's presence may be looked for, but it will be very surprising if the two premiers do not find other business to keep them away at that time. Neither one of them could gain anything, and either might lose a good deal by allowing himself to get mixed up with the Saskatchewan situation. But if they should go, and if the rally should be an apparent success, interesting developments in the western situation are to be looked for.

Form Curb Firm

W. M. Hodgson, J. P. Hodgson and W. L. Jarvis announce the formation of a partnership under the name of Hodgson, Jarvis and Company, to carry on a stock brokerage business as members of the Montreal Curb Market.

SOUTHERN FLOODS HELP SEAMAN-KENT

Advance in Hardwood Flooring Prices Will Benefit Company

Flood waters in the Mississippi drainage basin, while causing enormous loss of life and much damage to property, have reacted beneficially to the Seaman Kent Co., Ltd. Some of the largest hardwood lumber mills in South Carolina have been washed away or incapacitated for some time, while large stocks accumulated for spring delivery are practically a total loss. As a result, hardwood flooring prices have increased from $6 to $10, now being quoted around $100 a thousand, while trimmings have jumped from $140 to $150 a thousand. Orders have been pouring in on the Southern mills, many of whom have had to turn away business on account of inability to deliver goods. Meantime, prices have also advanced in Canada, both on account of domestic and American demand.

The Seaman Kent Co. was established over twenty-five years ago and is to-day the largest producer of hardwood flooring in the British Empire. Mill is located at Renfrew, and birch and maplewood supplies are secured from the Laurentian mountains. The company makes approximately 50 per cent. of the entire amount of hardwood flooring manufactured in this country.

About three years ago, the M. J. O'Brien interests of Ottawa acquired control, purchase of the company being financed in part through the issuance of $450,000 first mortgage bonds which were taken up in Canada. Common stock is understood to be all privately held. The anticipated increase in earnings this year should result in a substantial increase in the equity behind these bonds.

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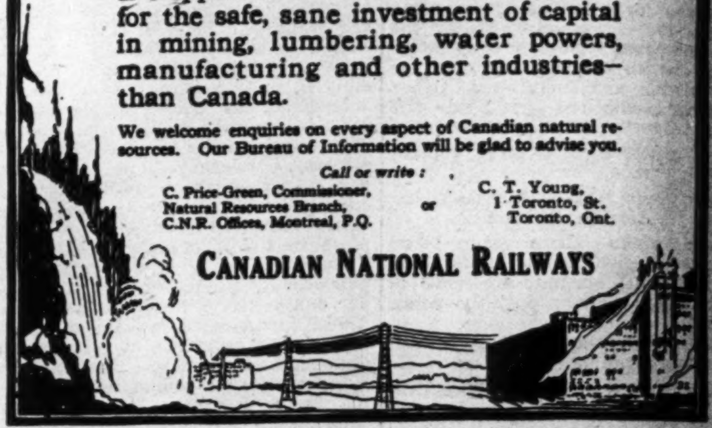
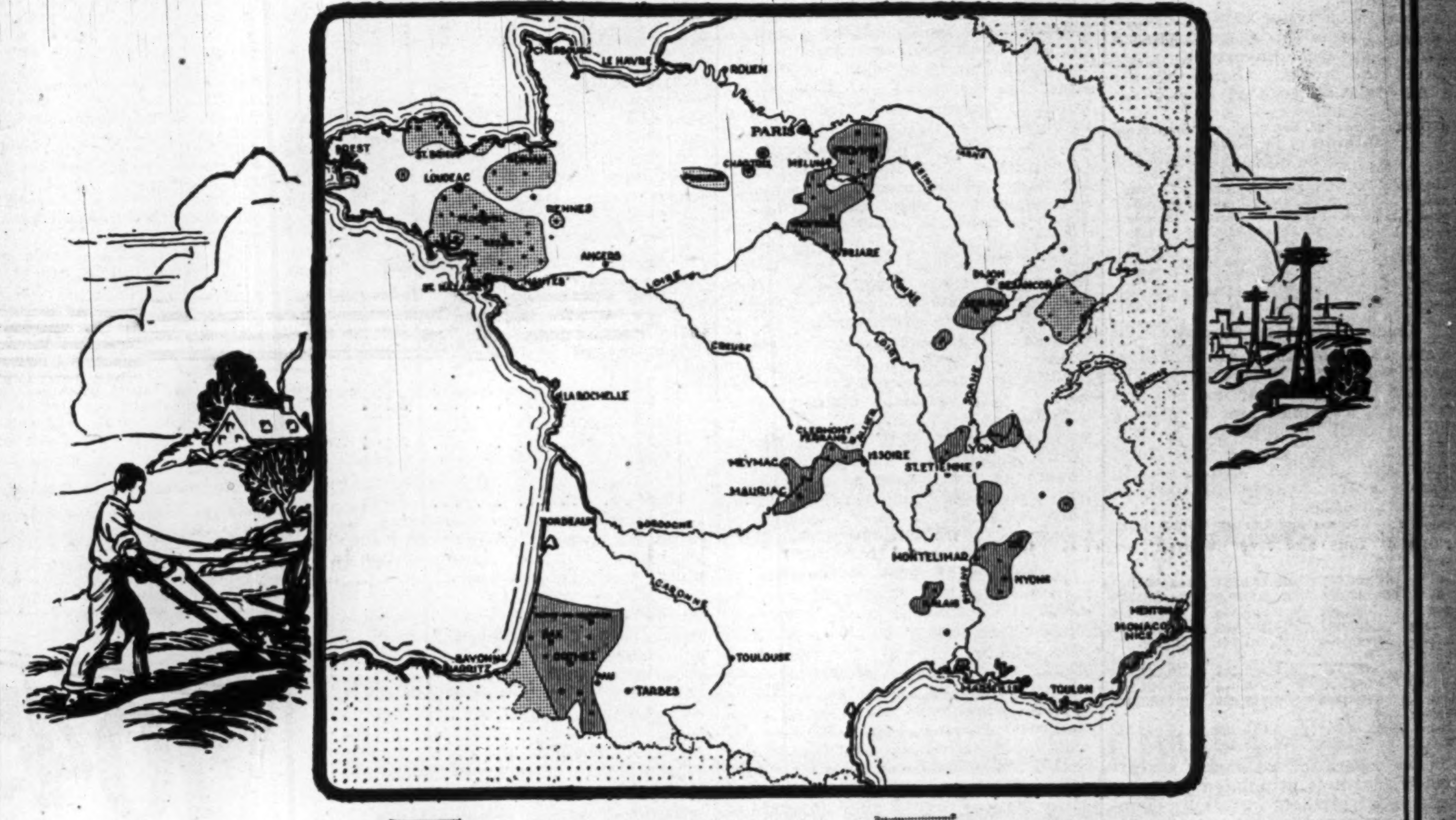


CANADIAN NATIONAL RAILWAYS

New Issue



System of l'Energie Industrielle — System of Subsidiaries

This map shows the location of Electric Light and Power Companies in France, a substantial interest in whose securities has been acquired by Foreign Power Securities Corporation, Limited.

Foreign Power Securities Corporation
LIMITED

6% Cumulative Participating Preferred Stock

BUSINESS :—Foreign Power Securities Corporation, Limited, has been incorporated under the laws of the Dominion of Canada, and was organized primarily to acquire selected securities of electric light and power companies operating in foreign countries. The Corporation has acquired a substantial interest in the securities of L'Energie Industrielle and indirectly in all its subsidiaries, as well as directly in two of them, namely : L'Union Hydro-Electrique Armoricaine and the Société Hydro-Electrique du Sud-Est.

L'ENERGIE INDUSTRIELLE: This Company has been in successful operation since 1906. It is now paying 11 per cent per annum on its Common Stock, which is listed on the Paris Bourse. Besides its own properties it now owns or controls ten subsidiary companies—these companies, upon completion of extensions now under way, will serve a population of 1,192,765 in 972 towns and municipalities throughout all France. This is approximately one-thirtieth of the population of that country. Eighteen distribution systems will be operated with a total mileage of 4,370 miles, of which about 2,500 miles are high tension lines. The entire system had 170,000 connected customers on March 31st, last.

FUTURE POSSIBILITIES :—The many possibilities for future development of the hydro-electric industry in France should afford profitable opportunities for this Corporation. France has water-powers capable of 10,000,000 h.p. development, of which only about 2,000,000 h.p. is already developed. The country is alive to the need of further hydro-electric installation and it is anticipated that the next few years will witness a great increase in additional developments.

EARNINGS :—The present interest and dividends from the Bonds and Shares already acquired are more than sufficient to pay the Preferred dividends, and as dividends on these shares are increased and as additional interests in other properties are acquired, there should be a reasonable surplus available for dividends on the Common shares.

This stock is offered when, as and if issued and received by us and subject to the approval of Counsel.

PRICE: 100 and accrued dividend to yield 6%
(Carrying a bonus of one-half share Common with each share Preferred.)

NESBITT, THOMSON & COMPANY
LIMITED

MONTREAL QUEBEC TORONTO OTTAWA HAMILTON LONDON, ONT. WINNIPEG

The statements contained in this advertisement are not guaranteed, but are based on information which we believe reliable, and on which we acted in purchasing these securities.

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MONTREAL TORONTO WINNIPEG VANCOUVER

Chamber of Commerce Idea Has Developed Through Centuries

By W. McL. CLARKE, Secretary General, Canadian Board of Trade.
Part of an address before Brockville Chamber of Commerce.

It should be interesting to learn something of the origin and development of chambers of commerce. In most of the cities of Canada, there have grown up these organizations which but adapt to local conditions the same practical formula that was worked out less completely in Continental Europe and in England as long ago as the so-called Dark Ages of Mediaeval times.

In fact to go back further into history if I were a padre I would begin with a biblical quotation citing as my text a part of the 19th Chapter of the Acts, for here in stirring language is discussed the nucleus of the chamber of commerce idea. You will recall the story; how the silversmiths of New Testament days came together in the market place of Ephesus and fearful lest the acceptance of Christianity would result in the turning away of the people from the worship of idols which their craftsmanship was fashioning, protested against the teaching of Paul and endeavored to get an injunction against him. "Great is Diana of the Ephesians" they kept on vociferating and this phrase might be termed the first known slogan of a chamber of commerce, for this gathering of the silversmith workers was a sort of extemporized chamber of commerce. It did not apparently occur to these short-sighted Ephesian industrialists that their trade could continue in the making of other objects. Thev had not the genius and adaptability of our own Canadian manufacturers, for example, who in after the war period virtualiy turned their swords into plowshares and their spears into pruning hooks.

Chambers in the Dark Ages

That misnomer, the Dark Ages, is also inapplicable to the period 1000-1500 A.D. insofar as the development of institutions of the character of Chambers of Commerce is concerned. In the days of feudalism and chivalry, in the days of the crusades and of the monasteries, in the days of the Magna Charta and the first English Parliament, there were also being formed the mediaeval guilds whose members were the merchants and artisans engaged in the making and handling of everyday necessities of livelihood. Here in embryonic form is the chamber of commerce of to-day. To preserve a standard of workmanship, to protect the employer and the employee, to arrange terms of barter and exchange and to develop the domestic industries of the Manor, these guilds came into being. Such trade guilds still persist in Great Britain in, for example, the hall marking of the goldsmiths. In Switzerland, moreover, there survive the commercial guilds of four and five hundred years ago.

The industry and commerce of those days, however, was carried on under restrictive and exclusive regulations which held back natural germination and growth. We in our day cry out against industry and commerce being, "cribbed, cabined and confined," and governments whether they be municipal, provincial or federal are more and more inclining to the "laisser faire" policy of fewer restrictions on trade. To act otherwise would be for these governing bodies to court rejection by the public whose opinion is that most potent of modern instruments in the shaping of our national life.

Started in France

But a greater light even than the guilds appeared in the commercial heavens of mediaeval times. Chambers of commerce themselves actually took root and flourished. France is the original home of Chambers of Commerce and at Marseilles, the old Greek colony, there was planted in the 14th century the first organized chamber of commerce although it was not until the 18th century that other chambers of commerce appeared in France. It was also in the Middle Ages that the Hanseatic towns began to play such an important part in the national commerce of the day. The word "Hansa" itself means an association and such cities as Hamburg, Bremen and Lubeck the then emporiums and distributing centres of the continent were from one point of view virtually themselves chambers of commerce consisting as they did of an association of business men.

In the economic history of the British Isles we read that Glasgow was the first city to obtain in 1783 a Royal Charter establishing a Chamber of Commerce. Edinburgh followed two years later and so again the good things come from Scotland. Manchester had the first purely English Chamber of Commerce which was founded at the turn of the 19th century. The London chamber did not take shape till 1882 or sixty years after there had been successfully functioning the Montreal Board of Trade.

Now Universal Institutions

And so to-day it has come to pass that Chambers of Commerce are universal institutions not only in Great Britain but in all the great powers and even in the smallest countries chambers of commerce constitute a very intimate part and hold a commanding position in the commercial life. British chambers of commerce have also grown up in foreign countries and foreign countries are likewise operating their own Chambers of Commerce in Great Britain. Even at Boston just now is being formed a Canadian Chamber of Commerce and there was established a few years ago a Canadian Chamber of Commerce in London, England.

The chamber of commerce movement in the United States is one of the distinguishing features of America's economic life and the United States Chamber of Commerce is the most important business organization in the Republic. The same significance attaches to the Federated Italian Chambers of Commerce and to the Swiss Confederation of Chambers of Commerce. Here in Canada boards of trade and chambers of commerce are most useful and active bodies in a very large number of our towns and cities and there are over three hundred organizations of this nature in the Dominion. It is on these and with these individual organizations that the National Chamber of Commerce is being built and co-operating to the betterment of our economic life. The autonomy of the local chamber is not impaired by becoming affiliated with the national chamber, but the federated idea behind the Canadian Chamber of Commerce tends to eliminate parochialism in approaching national questions while the spirit of Canadianism rather than provincialism or urbanism suffuses and renders more utilitarian the considerations and decisions of the municipal institution.

ONE BIG UNION NOW ASKS READJUSTMENT

Winnipeg Street Railway Rejects Demand For Higher Wages

By a vote of 600 to 150, members of the One Big Unit of the Winnipeg street railway have voted in favor of striking to enforce their higher wage demands.

The wage demands and changes in working conditions asked for by the men involve an annual increase in operating costs of $350,000. The company, in declining to accede to these demands, points to the fact that only eight months ago a board of conciliation, appointed by the Department of Labor, at the request of the One Big Union, set the wage scale at present in force, and stated that "such wages are fair and reasonable." At that time, certain changes in working conditions were voluntarily suggested by the company and incorporated by the board in its report, which changes involved an increase in operating costs of $50,000.

In view of the fact that the present wage scale was, less than eight months ago, found to be "fair and reasonable," and also in view of the fact that the cost of living since that time has decreased, it is contended that there can be no justification for the present demands, and surprise is freely expressed that the union should now seek to re-open the eight-months old agreement.

There is considerable unemployment in Winnipeg, while new immigrants are pouring into the city at an enormous rate, but the fact that the local labor market is flooded and that carmen's wages in Winnipeg are amongst the highest in the Dominion, apparently has no effect upon the extremists in control of the One Big Union in Winnipeg.

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THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES

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Orders having been received in excess of the amount of stock offered, this advertisement appears as a matter of record only.

NEW ISSUE

$1,250,000

Canadian Bronze Company, Limited

7% Cumulative Sinking Fund Preference Stock

Par Value $100 per Share

The Cumulative Sinking Fund Preference Stock is to be fully paid and non-assessable; entitled to cumulative preferential cash dividends at the rate of seven per cent. per annum, payable quarterly by cheque at par at any branch in Canada of the Bank of Montreal; preferred as to assets and accrued dividends, in the event of liquidation; callable as a whole or in part at $110 per share and accrued dividend on thirty days' notice. Preference dividends will be payable August 1, and quarterly thereafter, the first dividend to accrue from May 4, 1927.

TRANSFER AGENT: ROYAL TRUST CO. REGISTRAR: TORONTO GENERAL TRUSTS CORPORATION

Capitalization	Authorized	Issued
7% Cumulative Sinking Fund Preference Stock	$1,500,000	$1,250,000
Common Shares of No Par Value	50,000 Shares	40,000 Shares

The Company has no bonded debt and no bonds can be issued without the consent or approval of the holders of 66-2/3% of the preference shares.

Mr. P. R. Diamond, Managing Director of the Company summarizes his letter to us as follows:

Canadian Bronze Company Limited has been organized to acquire all the assets and undertakings of Canadian Bronze Limited, St. Thomas Bronze Company Limited and Northwestern Brass Limited, by means of the ownership of all the outstanding securities of these companies. The business has never had an unprofitable year since its establishment in 1896.

Business The Company manufactures bronze bearings, bushings and castings, principally for freight and passenger cars and locomotives in Canada. The Company supplies all but a small fraction of the total railway requirements in this country and has enjoyed this position for about 20 years. Plants are so located at Montreal, St. Thomas, Ont., Winnipeg and Calgary as to permit of rapid deliveries and excellent service to the railroads.

The principal source of the Company's income is from replacement orders for maintenance.

Assets The Canadian Appraisal Company certifies the depreciated replacement value of the fixed assets as at August 31, 1926, to be $725,604. Net quick assets, as shown by the pro forma consolidated balance sheet of the Company as at March 31, 1927, prepared by McDonald, Currie & Co., Chartered Accountants, are $715,717, making total net assets of $1,441,322.

Earnings Consolidated net earnings of the predecessor companies, after providing for depreciation, making adjustments for non-recurring salaries and expenses, and allowing for income taxes at the present rate, as certified by McDonald, Currie & Co., Chartered Accountants, have averaged for the 10-year period ended Dec. 31, 1926, $291,673 annually, equal to over 3 1/3 times preferred dividend requirements of $87,500. In no year of this period were the earnings less than 2 1/3 times these requirements.

After allowance for preferred dividends, the balance applicable to the issued common stock has averaged over $5.10 per share annually.

Net earnings for 1927 are estimated at an amount substantially in excess of the earnings for 1926.

Sinking Fund An annual sinking fund for the retirement of the preference stock, amounting to 10% of the net earnings of the Company after providing for depreciation, income tax and preferred dividends, will commence to accrue January 1, 1928.

Management The management will be in the hands of P. R. Diamond, who has been General Manager of the predecessor companies, and other executive officers who, with him, have been largely responsible for the successful operation of the companies in the past.

Directors

The following gentlemen, in addition to representatives of the bankers underwriting these securities, have consented to act as Directors:—

Sir Charles B. Gordon, G.B.E., Vice-President, Bank of Montreal; President, Dominion Textile Co.

Sir Herbert S. Holt, President, Royal Bank of Canada; Director, Canadian Pacific Railway

Albert E. Dyment, Esq., Chairman of the Board, Canadian General Electric Co.; Director, Royal Bank of Canada

Ross H. McMaster, Esq., President, Steel Co. of Canada; Director, Canadian Pacific Railway

Ernest R. Decary, Esq., Director, Canadian National Railways; President, Title Guarantee & Trust Corp.

Stewart H. Jones, Esq., New York City

These shares are offered for sale when, as and if issued and received by us, and subject to the approval of all legal matters by Messrs. Brown, Montgomery and McMichael.

Price: $100 per share

Application will be made to list these shares on the Montreal Stock Exchange.

Greenshields & Co **Flood, Barnes & Co Limited**

The statements contained in the above are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

40,000 Shares

Canadian Bronze Company, Limited

No par value Common Stock

Price $40 per Share

Application will be made to list these shares on the Montreal Stock Exchange.

Orders having been received in excess of the amount of stock offered, this advertisement appears as a matter of record only.

Greenshields & Co **Flood, Barnes & Co Limited**

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Current Loans Rise as Business Expands

March saw a still further gain in business in Canada, the bank statement as at March 31, 1927, indicates.

Current loans increased by $36,000,000 representing expansion in Canadian business operations. Call loans abroad declined by $7,500,000, representing probably, a reduction in New York stock exchange activity.

Savings deposits increased by $7,000,000 to the high figure of $1,396,800,107.

Comparative figures from the bank statement, analyzed by The Financial Post, are as follows:

BANK STATEMENT FOR MONTH OF MARCH

	March, 1927 $	Feb., 1927 $	Change $	March, 1926 $	Change $
Immediately Available Liquid Resources — Assets					
Specie	68,160,529	67,604,785+	555,744	60,069,810+	8,090,719
Dominion Notes	109,285,302	114,822,134—	5,536,832	122,148,729—	12,863,427
Gold Reserve	60,720,332	57,960,332+	2,760,000	62,860,332—	2,140,000
U. K. Banks	12,959,767	13,079,821—	120,054	8,023,305+	4,936,462
Foreign Banks	60,204,019	54,720,959+	5,483,060	66,777,933—	6,573,914
For. Curr.	21,251,920	20,676,154+	575,766	22,089,641—	837,721
Govt. Secs.	318,555,352	319,965,241—	1,409,889	376,765,107—	58,209,755
Call Loans Abroad	277,610,512	285,138,956—	7,528,444	240,446,694+	37,163,818
	928,747,733	933,968,382—	5,220,649	959,181,551—	30,433,818
Loans and Securities Other Than Those of Canadian Government					
Pub. Secs.	127,725,779	125,794,830+	1,930,949	135,995,059—	8,269,280
Rly. Secs.	63,521,296	61,830,399+	1,690,897	63,906,476—	385,180
Can. Call Loans	153,357,204	153,596,957—	239,753	134,556,239+	18,800,965
Current	994,988,280	959,008,088+	35,980,192	900,379,266+	94,609,014
Loans Abroad	282,782,936	284,411,402—	1,628,466	270,325,691+	12,457,245
Prov. Loans	10,858,874	11,458,484—	599,610	17,461,788—	6,602,914
Municipal	65,837,137	60,858,141+	4,978,996	68,105,045—	2,267,908
	1,699,071,506	1,656,958,301+	42,113,205	1,590,729,564+	108,341,942
Other Assets					
Non- curr. Loans	9,203,689	8,926,447+	277,242	9,571,127—	367,438
Real Estate	7,663,911	7,798,274—	134,363	8,541,547—	877,636
Mortgages	6,232,591	5,834,675+	397,916	5,225,650+	1,006,941
Premises	70,634,367	70,679,200—	44,833	72,913,710—	2,279,343
Letters of Credit	73,312,958	67,598,577+	5,714,381	70,611,459+	2,701,499
Loans to Comp.	6,389,356	5,288,080+	1,101,276	5,382,712+	1,006,644
Other Assets	2,771,752	2,920,563—	148,811	2,965,453—	193,698
	176,208,624	169,045,816+	7,162,808	175,211,655+	996,969
Total	2,804,027,863	2,759,972,499+	44,055,364	2,725,122,770+	78,905,093
Note Cir. Dep.	5,783,307	5,772,776+	10,531	5,815,163—	31,856
Int. Bk. Bal.	121,942,459	129,161,409—	7,218,950	120,809,301+	1,133,158
Gross	2,931,753,629	2,894,906,684+	36,846,945	2,851,747,234+	80,006,395
Liabilities To The Public — Liability to Government and Circulation					
Circulation	163,807,355	164,569,084—	761,729	163,952,235—	144,880
Dom. Govt.	23,729,192	16,670,230+	7,058,962	22,602,643+	1,126,549
Prov. Govt.	22,723,224	26,684,559—	3,951,335	23,229,187—	495,963
Govt. Advances	12,500,000	16,500,000—	4,000,000	10,000,000+	2,500,000
Deposits by Public					
Demand Dept.	551,146,765	536,525,357+	14,621,408	559,688,681—	8,541,916
Savings Dept.	1,396,800,107	1,389,609,017+	7,191,090	1,337,573,158+	59,226,949
Total	1,947,946,872	1,926,134,374+	21,812,498	1,897,261,839+	50,685,033
For Deposits	342,602,392	336,068,918+	6,533,474	333,318,401+	9,283,991
Due Banks Abroad, Etc.					
U. Kingdom	5,681,367	4,063,764+	1,617,603	7,314,656—	1,633,289
Foreign	42,635,476	43,550,338—	914,862	38,047,333+	4,588,143
Bills Pay.	7,814,664	8,771,901—	957,237	10,561,438—	2,746,774
Lets. of Cred.	73,312,958	67,598,577+	5,714,381	70,611,459+	2,701,499
Other Liab.	2,170,503	2,045,679+	124,824	1,874,172+	296,331
Pub. Liab.	2,644,934,003	2,612,657,424+	32,276,579	2,578,773,363+	66,160,640
Due Bet. Bks.	14,040,400	13,192,411+	847,989	11,373,381+	2,667,019
Liability to Shareholders					
Dividends	701,413	2,659,552—	1,958,139	700,270+	1,143
Reserve	129,416,920	128,544,050+	872,870	125,441,700+	3,975,220
Capital	121,139,880	120,267,010+	872,870	116,164,660+	4,975,220
Gross	2,910,232,616	2,877,320,447+	32,912,169	2,832,453,374+	77,779,242

Hunt's Ltd. Earn First Preferred Dividend by April

For the first four months of 1927 the sales of Hunt's Limited, whose first preferred stock was recently placed on the market were 21 per cent. greater than those for the corresponding period of 1926. Earnings are running in proportion. In fact the present year so far has been the best the company has ever had. By the end of April, after providing for depreciation, first preferred dividends for the whole year had been earned.

Programme of expansion forecast when the recent financing was done is now well under way. A few weeks ago the plant and equipment of the Fenny Candy Company of Toronto was acquired, and building operations are about to begin on an addition to the Hunt factory on Alcorn Avenue, Toronto. The extension which will be used for both factory and office purposes, will consist of a three-story and basement building, 47 ft. wide by 138 ft. deep. Extensions are also being made to the cold storage and ice cream plants in anticipation of an increase in the ice cream business this summer.

Vancouver to Let Contracts

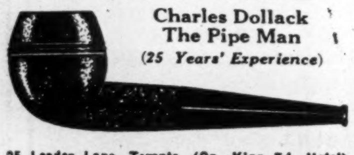
VANCOUVER, B.C.—Contracts will be called for at once for almost a half million dollars worth of side walk and street paving.

Duncan Ships Flowers

DUNCAN.—This district is making a name for itself in shipping cut blooms. One grower sent 12,000 Narcissi blooms to the Prairies for Easter trade. This represents twenty hours' cutting.

G. A. DEWBERY
Consulting and designing mechanical engineer.
Specializing in metal working machinery.
Liggett Bldg.,
King St. E. and Catharine
HAMILTON, ONT.

PIPE REPAIRING
Charles Dollack
The Pipe Man
(25 Years' Experience)



25 Leader Lane, Toronto, (Op. King Ed. Hotel)

Western Municipals

Bonds issued by municipalities give a higher interest return than issues of similar standing of eastern towns and cities.

This is due to the fact that all interest rates are higher in the West.

Investors who would increase the average earnings of their holdings will find our lists of value.

Pemberton & Son
Financial Agents
418 HOWE STREET
Vancouver, Canada

Westinghouse Holders Get Notice of Melon

Formal notice has gone forward to shareholders of Canadian Westinghouse Co. concerning the payment of a 30 per cent. dividend on the stock of the company and the increase in the capital of the par value of $1,486,600.

Each shareholder will be entitled to subscribe for the new shares in the proportion of one share for every five shares registered. The right to subscribe will expire on June 6th. Shareholders are receiving with this notification a blank power of attorney authorizing the directors to withhold two-thirds of the extra dividend in payment of the stock in proportion to the shareholder's holdings. The other third will be distributed in cash. Fractional share warrants will be issued to holders of shares in numbers which cannot be divided by five. The privilege of converting fractional share warrants will expire September 20th.

Lougheed & Taylor, Limited
Calgary, Canada
Bond, Insurance, Estates, Farm Lands, Appraisals
We are well informed on the oil situation.

$100,000.

PILSENER BEER, LIMITED
(Incorporated under the Quebec Companies Act)

To operate the Canadian Agency of The Citizens' Brewery of Pilsen.
7% Cum. Redeemable Preferred Shares (Par Value, $5.)

DIRECTORS:
Rene Chenevert, Esq., K.C., Montreal. Leon Payette, Esq., Outremont.
A. H. Carrillo, Esq., Montreal. F. O'N. Dillon, Esq., Montreal.
Paul Ledered J. U. Dr, Pilsen, Czecho-Slovakia. 6 additional Directors to be elected at the next general shareholders meeting.

THE COMPANY

The Company has been organized to operate the Canadian agency of "The Citizens' Brewery" of Pilsen (Burgerliches Brauhaus), a business founded in 1842 in Pilsen, Bohemia (Czecho-Slovakia), owning and controlling the largest breweries in the world for the exclusive manufacture of the world famous Pilsener Beer. Pilsener Beer cannot be brewed outside the city of Pilsen.

Pilsener Beer, Limited, will operate under license of the Quebec Liquor Commission, will import "Urquell" Pilsener Beer in barrels from the Citizens' Brewery of Pilsen, and maintain a bottling factory and distributing service in Montreal selling to hotels, taverns and other retail outlets, throughout the Province of Quebec.

EARNINGS

Based on the projected sales in the Province of Quebec alone, net earnings are conservatively estimated at $75,000 per annum for the first year of operation. This is equal to over $1.00 per share on the Common Stock, after all charges and payment of Preferred dividends. To this may be added revenues from sales to the Liquor Commissions of other Provinces where the sale of beer is permitted, as well as from a profitable export business.

PRICE: — $5.00 per share
with a bonus of five shares of no par common with each ten shares of preferred

MOUNT ROYAL SECURITIES LIMITED
Insurance Exchange Building, Montreal
Phone: MAin 3644.

Please send me full particulars regarding an investment in Pilsener Beer, Ltd.
NAME: ....
Address: ....

Nine Trade Winners

EACH of the nine business papers listed below serves its particular field well. So well, in fact, that each is a recognized leader. Use their advertising pages to sell your goods or services. Rates from your agency or direct from the paper concerned.

Hardware and Metal — Drug Merchandising — Dry Goods Review
Canadian Grocer — Men's Wear Review — Sanitary Engineer
Bookseller and Stationer

All Members of the Audit Bureau of Circulations

Hardware and Metal's Data Service
Canadian Paint & Varnish Magazine
143-153 University Ave., Toronto, Canada

NEWBOLD C. JONES BRIAN HEWARD
FREDERICK NEWTON JOHN D. MACPHERSON
JONES, NEWTON & HEWARD
MEMBERS MONTREAL STOCK EXCHANGE
105-106 TRANSPORTATION BUILDING
TELEPHONE MAIN 2411*

Established 1899
Real Estate Bonds
Write for Booklet
W. N. McEachren & Sons Limited
901-2 Royal Bank Bldg.
Toronto, Ont.

INVENTIONS PATENTED
TRADE MARKS and DESIGNS Registered
YOUR ENQUIRY IS SOLICITED
W. IRWIN HASKETT, 12 Elgin Street, Ottawa, Canada
SOLICITOR OF DOMESTIC AND FOREIGN PATENTS

FOURTEENTH ANNUAL

Financial Statement and Directors' Report

WESTERN GROCERS LIMITED

WHOLESALE GROCERS

At the Annual Shareholders' Meeting of Western Grocers, Limited, held at the Head Office of the Company, the following were unanimously re-elected directors of the Company:

W. P. Riley, W. H. McWilliams, E. E. Hall, H. W. Hutchinson, Andrew Kelly.

The Directors' Report and Annual Statement for the year 1926 was presented and unanimously approved.

At a meeting of the Board of Directors, following the Annual Meeting of Shareholders, the Officers of the Company were re-elected.

Report to Shareholders

In submitting the Fourteenth Annual Statement covering the year ended December 31st, 1926, your directors beg to report:

After deducting all operating expenses, interest paid on bank and mortgage loans and making adequate provision for all bad and doubtful accounts, the net income from the year's operations was $155,252.90. This added to the surplus and special reserve carried forward from the previous year, makes a total of $370,251.06, which was dealt with as follows:

Written off for depreciation on buildings	$ 15,307.69
Written off for depreciation on delivery and warehouse equipment and office furniture and fixtures	16,024.36
Reserve for Income Tax, 1926	8,721.82
Dividends Paid on Preference Stock	83,601.00
Balance at credit of Surplus Account, Dec. 31, 1926	246,596.19
	$370,251.06

All expenses incurred in connection with the capital adjustment consummated in February, 1926, which were considerable, were taken up as part of the operating expenses and deducted from profits before arriving at the net income for the year.

Buildings owned and occupied by the Company are all in good condition; all expenditures for maintenance and repairs thereon were charged to operating expenses.

Inventories were carefully taken and conservatively priced at cost or market value, whichever was the lower.

Accounts and notes receivable were carefully inspected and ample provision made for anticipated losses thereon.

The surplus of assets over all liabilities (other than to shareholders) is $2,463,758.93, which means there are $206 of assets back of each Preference Share issued, or $100 of assets for each Preference Share and $75 of assets for each No Par Common Share issued.

Your Company has no bonded indebtedness and all its properties are free from encumbrance with the exception of an unmatured mortgage of $65,000, which is part of the original mortgage carried on the Vancouver property when acquired from its former owners.

As was anticipated when the plan of capital adjustment was proposed, the net earnings of the Company were amply sufficient to justify the declaration and payment of four quarterly dividends on the Preference Shares of 1¾ per cent. each, in addition to which the holders of Common Shares recently (March 15, 1927) received a dividend of $1.00 per share.

Your Company maintains the premier position in the grocery trade. With much improved conditions prevailing throughout Western Canada and prospects of a large immigration, the outlook for 1927 is most promising. The business for the first few months of 1927 fiscal year shows a substantial increase over the corresponding months of the previous year.

Balance Sheet

WESTERN GROCERS LIMITED

As at December 31, 1926

ASSETS

Current and Working Assets—	
Cash on Hand and in Banks	$ 117,907.64
Merchandise, at cost or under	1,656,394.97
Accounts Receivable, Customers'	1,634,160.89
Sundry Debtors, including advances on Merchandise	97,621.05
Prepaid Insurance, Interest, etc.	28,635.85
Total Current and Working Assets	$3,534,720.40
Investments	
Real Estate, not in use for Warehouses, and other investments	72,950.00
Warehouse Properties—	
Real Estate and Buildings, less depreciation	846,543.10
Plant and Equipment—	
Including Automobiles, Motor Trucks, Office and Warehouse Equipment, less depreciation	88,784.92
Total Assets	$4,542,998.42

LIABILITIES

Bank Loans, Secured	$1,478,000.00
Acceptances, and Accounts Payable to Trade Creditors	514,989.24
Dividend on Preferred Shares for 3 months ended Dec. 31, 1926	20,900.25
Total Current Liabs.	$2,013,889.49
Mortgage, with Interest Accrued to Date	65,350.00
Capital Stock—	
Authorized: 7% Cumulative Preference Shares of $100 each ....$2,500,000.00; Common Shares of No Par Value 30,000 shares	
Issued: 7% Cumulative Pref. Shares of $100 each—11,943 Shares	$1,194,300.00
Common Shares of No Par Value—16,943 Shares	$1,022,862.74
Surplus	246,596.19
Total Liabilities	$4,542,998.42

HEAD OFFICE—WINNIPEG, MANITOBA.
BRANCHES:
Brandon and The Pas in Manitoba. Moose Jaw, Saskatoon, Yorkton and North Battleford in Saskatchewan.
Lethbridge and Edmonton in Alberta.
Cranbrook, Nelson and Vancouver in British Columbia.
Port Arthur and Fort Frances in Ontario.
President, W. P. Riley. Directors: W. H. McWilliams, H. W. Hutchinson, Andrew Kelly, E. E. Hall, Winnipeg.